

# Herald Tribune

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Established 1887

|             |           |                      |            |
|-------------|-----------|----------------------|------------|
| Austria     | 12 S.     | Lebanon              | 21.50      |
| Belgium     | 20 S.F.   | Luxembourg           | 20 S.F.    |
| Denmark     | 3.50 D.K. | Morocco              | 2.50 D.K.  |
| France      | 1.50 F.   | Norway               | 1.50 F.    |
| Germany     | 2.50 D.M. | Portugal             | 1.50 D.M.  |
| Greece      | 1.50 D.R. | Sweden               | 2.50 S.Kr. |
| Italy       | 3.50 L.   | Switzerland          | 1.70 S.Fr. |
| Japan       | 350 Y.    | Taiwan               | 2.50 N.T.  |
| South Korea | 2.50 W.   | Turkey               | 7.50 L.    |
| Spain       | 1.50 P.   | U.S. Military (Bair) | 50.25      |
| U.S.        | 1.50 D.   | Yugoslavia           | 1.50 D.    |



EVACUATION—Red Cross trucks and cars used in evacuation parked next to the Tal Zaatar refugee camp in Beirut.

## Red Cross Takes 91 Injured From Tal Zaatar Camp

By Douglas Watson

BEIRUT, Aug. 3 (WP)—After weeks of attempts, a Red Cross convoy of nine trucks and two ambulances succeeded today in evacuating 91 of the wounded from the long-besieged Tal Zaatar Palestinian refugee camp.

Rescue of the 91 injured men, women and children required a seven-hour operation completed without casualties thanks to a cease-fire at the camp in East Beirut that was largely respected. As the caravan of wounded was waiting to leave the vicinity of Tal Zaatar, several bursts of automatic rifle fire punctuated a dispute between differing factions of the predominantly Christian rightist forces that for months have surrounded the camp.

## Israel Patrols Southern Part Of Lebanon

Opens Border to Those Seeking Jobs, Market

By Terence Smith

JERUSALEM, Aug. 3 (NYT)—Israel is moving vigorously to exploit the current power vacuum in southern Lebanon and to prevent Palestinian forces from reasserting their control over the area immediately north of the Israeli border.

Israel security forces have stepped up their patrols in recent days on both sides of the frontier in order to block a Palestinian redeployment in the area. The daily Israeli forays a mile or two into Lebanese territory are also designed to discourage Palestinian reprisals against Lebanese villagers who have been crossing the frontier in search of medical treatment and supplies.

Meanwhile, the "open fence" policy has been expanded to include temporary jobs for Lebanese workers in Israeli factories. For example, 20 Lebanese tobacco sorters showed up yesterday morning for work in an Israeli cigarette plant. Israeli officials said they expected that about 150 Lebanese would be employed in various jobs during the next few weeks.

### Israeli Motive

The Israeli motive in all this is to preserve the cease-fire as it has prevailed in recent months along the border and to prevent southern Lebanon from again becoming a staging ground for Palestinian terrorist attacks against Israeli border settlements.

By developing close working relations with the southern Lebanese villagers, the Israelis also hope to encourage the local population north of the border to resist a re-establishment of Palestinian control in the area.

Defense Minister Shimon Peres confirmed this indirectly during a television interview Friday in which he referred to the "semi-vacuum" prevailing in southern Lebanon. "We must be very much on the alert as to how, if at all, it is filled," Mr. Peres said.

He added, however, that Israel had not been asked to intervene directly in Lebanon, nor would it do so on its own initiative, he said, unless the military situation changed and posed a new threat. Intervention seems unlikely at the moment, since recent events in Lebanon have been much to Israel's liking. Israelis have watched with satisfaction as the tide of battle has turned in recent weeks and the Palestine Liberation Organization has suffered heavy losses of men and material.

The Israeli hope is that the (Continued on Page 2, Col. 3)

## U.S. Aide Lauds Safeguards In Israel-Egypt Reactor Deal

By Bernard Gwertzman

A participant in the hearings said that Sen. Symington complained that the safeguards outlined by Mr. Atherton might not be effective. Sen. Church reportedly questioned the value of selling expensive nuclear systems to the Middle East, and Sen. Percy was also not satisfied with the safeguards.

According to U.S. officials, both Egypt and Israel have agreed to have the reactors inspected by the International Atomic Energy Agency to insure that the nuclear materials are not being used for weapons. In addition, the United States reserved the right to make its own inspection.

The officials also said that the two countries agreed that any reprocessing of plutonium be done outside the Middle East.

The Israelis plan to buy two reactors producing a total of 1,970 megawatts for use in expanding the country's electric capacity. The Egyptians plan to buy smaller reactors, producing about 1,400 megawatts. But to insure that the accords are identical, (Continued on Page 2, Col. 8)

## 'Volatile Climate for Violence' Kissinger Sees Conflict Risk Mounting in Southern Africa

By Murrey Marder

WASHINGTON, Aug. 3 (WP)—Secretary of State Henry Kissinger said yesterday that "the risks of confrontation mount" in southern Africa, where foreign troops may be drawn into the black-white struggle in both Rhodesia and South-West Africa (Namibia).

"Time is running out" for avoiding the escalation of guerrilla warfare in these two most explosive regions of Africa, Mr. Kissinger said at the annual conference of the National Urban League in Boston.

"With thousands of foreign troops north of the Namibian border," Mr. Kissinger said, referring to the Cuban troops remaining in Angola, "and with intensifying warfare in Rhodesia, a far more volatile climate for violence exists in southern Africa."

Rhodesia "is the most immediately dangerous of the problems," Mr. Kissinger said, but in addition the "deadline is now upon us" for action on South-West Africa.

### UN Deadline

The deadline he cited was set by the United Nations Security Council in January, directing South Africa to produce action by Aug. 31 to provide "self-determination" for the black majority of South-West Africa, which South Africa rules. The territory is known as Namibia among black Africans and in the UN. The United States supports UN findings that South Africa's rule of the territory is illegal.

Mr. Kissinger's address to the Urban League, which includes many prominent U.S. black leaders, reflected the multiple dilemmas his complex, newly activist African policy must surmount to succeed.

He is trying to bridge the vast black-white divide in Africa while

## Reagan Camp Claims More Delegates

By R.W. Apple Jr.

WASHINGTON, Aug. 3 (NYT)—Ronald Reagan yesterday scored his first modest gains in the Republican presidential contest since naming Sen. Richard Schweiker of Pennsylvania as his choice for vice-president.

John Sears, the former California governor's chief campaign strategist, said at a news conference that 12 convention delegates, whose names he made public, had made commitments within the last week to Mr. Reagan. Most of them, he asserted, had previously been considered backers of President Ford.

Mr. Sears promised more announcements in the next two weeks and insisted that there had been no significant defections from Mr. Reagan's side.

James Baker, the President's chief delegate-hunter, said that only three of the 12 had been carried on his chart as Ford supporters. Four of the others had been allocated to Mr. Reagan, he added, and five had been listed as uncommitted.

Last week, the chief beneficiary of Mr. Reagan's gamble in picking Sen. Schweiker had appeared to be Mr. Ford. A number of Southern Republican leaders and a handful of delegates shifted their allegiance to the President.

### Strength Unclear

As the war of nerves continued, it was not clear which candidate would ultimately emerge with a net gain in delegate strength.

The movement centered on Sen. Schweiker's home state, whose legally uncommitted 108-vote delegation was one of the reasons for Mr. Reagan's choice of the senator last week.

Ten of Mr. Sears' 12 came from that state, including Newell Wood, the minority whip in the state senate. Of the 10, five had been listed by The New York Times as Reagan partisans and five had been listed as uncommitted in a survey begun just after the Schweiker announcement.

The survey, which is still incomplete, suggests considerable fluidity, with a number of delegates who had previously favored the President now voicing no preference, apparently as a result of Sen. Schweiker's intense lobbying.

The Times tally now gives Mr. Ford only 74 solid votes in the state, compared with 11 for Mr. Reagan and 18 uncommitted.

Mr. Baker claimed 95 for Mr. Ford at his news conference yesterday, retreating considerably from the assertion Sunday by Sen. Hugh Scott of Pennsylvania, a Ford supporter, who predicted that the President would get 93 to 95 votes there.

Describing the Reagan gains as "marginal," Mr. Baker said that Mr. Ford would gain more (Continued on Page 3, Col. 1)



TAKEN TO SAFETY—Eva Stahl, a Swedish nurse who was trapped in the Tal Zaatar camp, is moved to safety on a stretcher. She lost an arm in the fighting in Beirut.

## Colorado Flood Toll at 82, Rescue Operations Continue

LOVELAND, Colo., Aug. 3 (AP)—Eight helicopters flew into Big Thompson Canyon today, their crews looking for flood survivors as ground teams assembled to renew the search among mud slides and debris for the dead.

The fatality count was 82, but authorities feared the toll would climb far higher.

Air rescue operations were halted early last night after officials said they had flown out all known survivors who wished to leave the devastated canyon.

An estimated 135 persons told rescuers they wanted to stay in motels and mountain homes on high ground where they had ample food and water.

But 10 of those, at a motel

### Spanish Red Leader Seeks Re-Entry Paper

PARIS, Aug. 3 (UPI)—Santiago Carrillo, exiled secretary-general of the Spanish Communist party, has asked the Spanish Embassy to give him a passport so he can fulfill the vow he made last week to enter Spain Sept. 1, although his party still is illegal there, Spanish sources said today.

The party, headquartered in Paris since the Spanish Civil War, was not among those recently legalized by the Spanish parliament, the Cortes. Mr. Carrillo reportedly gave the embassy the passport request yesterday.

62 Bodies  
Cathy Beyer of the sheriff's department said 62 bodies had been brought out of the canyon and 20 others were pinpointed inside.

Larimer County Sheriff Robert Watson said the death toll could reach 300.

"Who knows what's buried in all this silt? Some farmer will dig down in his corn patch some day and find a body," the sheriff said.

Flying close to the craggy canyon walls, military helicopter pilots last evening took to safety all those who wanted to leave.

Besides the 82 confirmed dead, authorities said 260 persons were injured and an estimated 559 were unaccounted for.

Officials said the 12-foot wall of water, the result of heavy rains Saturday night, was so powerful that many of the dead were found with their bodies stripped of clothing. A body was found 15 miles downstream from the canyon mouth.

President Ford declared the 2,700-square-mile county a federal disaster area yesterday, making local residents eligible for federal relief assistance.

## ed Party Criticizes Program of Soares

BON, Aug. 3 (AP)—Com-

munists sharply attacked Premier Soares's minority Socialist cabinet today after Mr.

presented an austere economic program that includes

cuts in public wages, as this government intend

indemnity to owners whose by was taken over and at

time time call for austerity? unit, deputy Carlos Brito

Brito fired 40 questions the 15-minute inter-

viewed asked each of the party's three opposition par-

ties. Mr. Soares outlined his in at a session that ended

today.

tion of Mr. Soares' pro- would mean the downfall

a 10-day-old government. of the major parties only

communists, with 49 of the ate in the National Assem-

blieve openly attacked his

assembly's largest parties he Socialist, the moderate

Democrats and the con- cre Social Democratic Cen-

assembly called for a coalition e the economic crisis, but

indicated they will give the its a chance to govern.

Socialists have 108 seats assembly, compared with

the Popular Democrats and the Social Democratic

oloso Sa Carneiro, Secre- tary of the Popular Demo-

party, said today: "We not systematically oppose

any deliberate steps to down the government."

extreme-left Popular Dem- o Union, which has an

assembly deputy, Acacio lves, reversed a pro-so-

stance, announced last

Mr. Barreiros told a news- today that "this program

marks the support of the UDP or the working

Soares has left the Com- munist outside the govern-

ment is NATO country for the time since a leftist military

supplied the rightist regime ril, 1974.

Concern voiced

Brito also voiced concern

Mr. Soares's blunt warning

labor unrest. The Pre-

acknowledged that strikes

a "legitimate weapon" but

they must be used "only

last resort." Communists

have predicted the unions,

the party leaders will in-

will give Mr. Soares's

ment a difficult time.

this government ready to

a regular evaluation of

so that they can keep up

the cost of living? Mr.

asked, Portugal's inflation

ing at an annual rate of

cent.

260-page program, dis-

to party leaders it the

are last night, includes

one for wage and price

Control

Communist newspaper

also criticized the gov-

"The minority govern-

is a dangerous political

that ignores the working

it said, adding that the

in "closed its eyes to the

ce of the class struggle."

Soares said he would not

the program of na-

tion, agrarian reform

pension of labor rights be-

the six provisional gov-

ernments since the 1974 coup.

he cautioned against a

an of poverty and prom-

listen to the owners too."

program pledges not to

any new nationalizations

correct abuses in the

reform campaign that

charge, have led to the

seizure of about 1.1 mil-

lions.

voys Say Sidewalk Living

Peking May Last Months

ING, Aug. 3 (Reuters)—

million inhabitants of the

a capital may be sleeping

streets for weeks or even

because of the fear of

earthquake, Western

ats said today.

lies who have lived for

ys in makeshift tents or

plastic table cloths tied

are strengthening their

s, adding tables and

hanging up pictures of

se-tung and settling down

ing wait.

local people are taking of-

warnings of a second

like very seriously. Fac-

apartments and office

gs are deserted and offi-

inspired banners in every

urge the population to be

rd against looters.

## Threat of 'Chicken War' Revival By U.S. Jars EEC Vacation Calm

BRUSSELS, Aug. 3 (UPI)—A U.S. threat to raise customs duty on imports of French cognac because the European Economic Community will not permit more U.S. poultry in its markets drew a sharp response from EEC authorities here today.

EEC officials fear the new U.S. move promises a new installment in what they regard as a dispute of epic tedium.

Raising the tariff on cognac "will be a unilateral act of an ungenerous character which the community has done nothing to provoke," an official said, adding that the EEC has no debt to pay the U.S. in terms of poultry concessions.

The threatened dispute, breaking the vacation calm of the Common Market headquarters, revives memories of the "chicken war" in the late 1960s when the U.S. retaliated against French brandy because the Europeans would not buy more U.S. poultry.

For that reason as much as any other they have learned "with regret" that U.S. authorities are to open hearings on whether the partial normalization of brandy duties should be rescinded.

Two years ago the United States eased its restriction on cognac imports by raising the threshold price for the higher rate of duty from \$9 to \$17 per proof gallon.

At the time this liberalization was titled as "a resolution of outstanding trade disputes between the U.S. and EEC." It now seems the bets are off once more.

A shock struck the area last February and Chinese officials said that many lives had been saved because precautions had been taken.

The diplomat said that he took this answer to be an indication that the population of Peking

(Continued on Page 2, Col. 1)



NEWBORN—Medical workers of the Chinese Army feed a baby born after the quakes.



## Six Key Issues Formulated

## UN Session on Sea Law Opens With Dispute on Procedures

UNITED NATIONS, N.Y. Aug. 3 (UPI).—The fifth session of the UN Conference on the Law of the Sea opened here yesterday with a dispute over the procedures to be followed in negotiating six "key issues" spotlighted by the conference president, Hamilton Amerasinghe of Sri Lanka.

As the conference's 157 delegations formed themselves into three blocs—coastal states, landlocked countries, and maritime and industrial powers—the general feeling was that the seven weeks allotted to this session would not be enough to draw up the text of a sea-law treaty, and that at least one more session would be needed next year.

This was recognized by Mr. Amerasinghe in his opening remarks, and by the chairman of the U.S. delegation, Vincent

Learson, who spoke of at least two more sessions.

The debate on procedure, and on the content of the issues to be negotiated, demonstrated the distrust a number of delegations felt over what some called a "cabal" of insiders dictating the limits of the talks.

**Unresolved Dispute**

The procedural dispute was not resolved—just put off for a decision by the three standing committees of the conference, which are to begin their closed-door negotiations today.

The other major development yesterday was the emergence of a formal bloc of some 90 coastal states, who set themselves against a grouping of 85 landlocked nations, and a smaller group of industrial and maritime powers, including the United States and the Soviet Union.

The coastal countries demanded that the treaty declare the 18-mile "economic zone," which lies between the 12-mile territorial sea and the international zone that starts 200 miles out to sea, to be an area with a special legal character.

This position ran counter to the statement by Mr. Learson that "it is critical to the United States that the economic zone remain high seas."

**Issues Outlined**

The key issues outlined by Mr. Amerasinghe in a document put before the conference are:

- Measures to satisfy the demands of the landlocked countries for transit rights and for a share in seabed resources.
- Structuring the international authority that will regulate the exploitation of \$3 trillion worth of seabed minerals in such a way as to satisfy the industrial nations that their corporations will be able to profit, and the poor nations that the profits will reduce rather than increase the economic gap.

- The legal status of the economic zone.
- A mechanism for settlement of disputes.

- Scientific research in the economic zone—whether the coastal state has the power to determine what research activities cannot be conducted there without its consent or whether some impartial outside tribunal can rule on what is permissible.

- The mechanics of putting the treaty into effect—how many ratifiers it takes and whether a country can ratify only a part of it.

Meanwhile, relief officials at the Kenyan border said that hundreds of refugees were streaming into Kenya daily to escape from undisputed Ugandan troops.

**Thousands Fleeing**

John Rogers, an American who is director for East Africa of Food for the Hungry International, said that several thousand persons had fled into Kenya in the last few weeks.

He said that 75 persons were being each day through the border town of Busia alone.

Relief officials said that the daily figure was several hundred all along the border.

"The number has increased in the last few days," Mr. Rogers said. "And the arriving refugees tell of many more still coming out . . . most of them on foot because there is no transport."

About a third of the refugees, Mr. Rogers said, told tales of beatings, torture and harassment by Marshal Amin's troops.

## Street Life For Chinese

(Continued from Page 1)

might be asked to stay in the streets for a long period.

Most foreign women and children have been evacuated from Peking in the last 48 hours, but apparently Chairman Mao, 82, is still here.

Asked to comment on a Hong Kong report that the ruling Communist party leader had left the capital, a Foreign Ministry official said today that such foreign press reports were "entirely groundless."

Trains leaving the capital are booked up for a week. A Chinese source said that this was because families with relatives in other parts of the country had been given permission to send women and children away from the city.

**Relief by Balloons**

TAIPEI, Aug. 3 (Reuters).—Balloons carrying relief supplies have been released from the Taiwanese-held islands of Quemoy and Matsu in the last few days, Taiwan's Central News Agency said today.

The agency quoted a spokesman on Quemoy, 9 miles off China, as saying that the balloons would descend on Tientsin, Peking and Tangshan.

## Judge Jails Witness For Baader-Meinhof

STUTTGART, Aug. 3 (Reuters).—A witness at the Baader-Meinhof guerrilla trial told the judge today: "We don't usually talk to people like you, we shoot them."

Werner Hoppe, a 27-year-old convicted member of the Baader-Meinhof gang, was immediately sentenced to five weeks in prison for contempt of court. Hoppe, serving a 10-year jail sentence in Hamburg, was testifying for the defense.

**HARRY'S N.Y. BAR**

Est. 1911

5 Rue Daumen, PARIS.

Falkenberg Str. 9, Munich.



ON THE ISRAELI BORDER—Lebanese citizens waiting their turn to pass into Israel.

## Israel Acts to Bar PLO in South Lebanon

(Continued from Page 1)

loss of power and prestige by the PLO will give rise to a new Palestinian leadership. Shlomo Avineri, director general of the Israeli Foreign Ministry, expressed that hope in a speech in which he argued that "more moderate, more realistic Palestinian leaders" might assert themselves in the vacuum left by a diminished PLO.

Other Israelis are less optimistic, however. Yitzhak Navon, chairman of the Foreign Affairs and Defense Committee of parliament, contended in an interview that Israel will face new difficulties regardless of how the Lebanese situation resolves itself.

A PLO victory, he said, would lead to an "extremist Lebanon" supported by militant Arab states like Libya and Iraq.

On the other hand, he said, Syrian dominance could transform Lebanon into a "fourth confrontation state" against Israel.

"In any case," he said, "it is clear that neither Lebanon nor the PLO will be the same after this is over."

Most Israeli officials and analysts are skeptical about the chances that the new Syrian-PLO agreement announced last Friday will lead to a stable ceasefire and a political solution to the conflict. Instead, the expectation here is that the fighting will continue for weeks, if not months, and that the Syrians may use a PLO breach of the Damascus agreement as an excuse to justify a major new military thrust against the Palestinian-led forces.

Israel's main preoccupation, however, is with developments in southern Lebanon. It is in that area, south of the Litani River, that Israel is determined to prevent a re-establishment of Palestinian control.

**Good Neighbor Policy**

The good neighbor, or "good fence" policy, as Mr. Peres recently dubbed it, has grown over the last few weeks from a small, ad hoc operation to a more significant exchange of people and goods.

With the approval of the Cabinet, Israel's main preoccupation, however, is with developments in southern Lebanon. It is in that area, south of the Litani River, that Israel is determined to prevent a re-establishment of Palestinian control.

As a precaution, about 200 Syrian children were sent to vacation resort in the Swiss-owned area, released a cloud of highly toxic TCDD (tetrachlorodibenzodioxin), a chemical used in some defoliants. Thirty-five persons have been hospitalized for poisoning or skin infections, hundreds of birds and animals died, vegetables and foliage withered and health officials warned that the residue could have harmful effects on those who came in contact with it.

Several pregnant women from the most infected zone reported to a special medical center today to discuss whether to seek therapeutic abortion.

Giorgio Carroli, an official of the Milan Health Institute, said that if a medical commission decided a fetus was endangered, the woman could get an abortion without any difficulty. He pointed out that Italian law allows therapeutic abortion.

Abortion on demand is still forbidden.

**91 Wounded Evacuated**

(Continued from Page 1)

camp. There was an argument among the soldiers and several shots were fired in the air.

At 10:19 a.m. the three Red Cross vehicles moved slowly into an open space that once was a community soccer field, the spot to which the camp's wounded would be carried by stretcher.

There was no sign of panic among the 40 Red Cross workers, a mixture of foreigners and Lebanese.

Shortly before noon, they were seen carrying out the first wounded by stretcher to the waiting trucks. It was uncertain how far the injured had to be carried, but probably at least a couple of hundred yards.

Finally, at 1 p.m., the Red Cross workers in the camp reported that 91 wounded had been loaded, including as many as 12 in the back of a truck. There was a delay of a half-hour more for the wounded to be in the hot sun until the trucks moved out.

But the Red Cross convoy did not leave the lines of the surrounding rightist forces for an hour more. Each truck was carefully searched by the rightists to be certain that only legitimate wounded were leaving.

**Volcanic Gas Kills 2, Injures 17 in Japan**

NAGANO, Japan, Aug. 3 (AP).—Two persons and injured 17 today when a group of high school girls climbed near a 7,181-foot active volcano, the police reported.

Two pupils, 15 and 16 years old, died. They were attending a summer camp near Mount Mount-Mokushiro, about 100 miles northwest of Tokyo.

A 35-year-old teacher and another 15-year-old pupil were reported in serious condition. The 38 climbers were trapped by hydrogen sulfide gas when they neared the mountain-top.

## Israel Acts to Bar PLO in South Lebanon

(Continued from Page 1)

net in Jerusalem, the local Israeli authorities in the north now are permitting Lebanese villagers to cross into Israel to sell surplus crops, buy food and supplies and change money in Israeli banks.

The arrangement mirrors, in smaller dimension, the active "open bridges" policy that Israel has pursued for years along the frontier with Jordan.

The political message inherent in the policy is obvious. "We are trying to demonstrate the practical feasibility and benefits of

open borders," an Israeli official said. "If it can be successful on two fronts, why not on four?"

**Israeli, Lebanese Talk**

TEL AVIV, Aug. 3 (UPI).—Israeli representatives have held at least three meetings with dissident Lebanese Army officers in the last few weeks, the state radio reported today.

The radio said the meetings took place at the Rosh Hanikva checkpoint on the Lebanese-Israeli frontier under UN auspices.

hidden despite a strong movement in favor of it.

A doctor at the special center said that at least 10 women want abortions. "Others expressed the hope of keeping their babies, provided examinations prove the fetus did not suffer any damage," he said.

He added that such pollution was especially dangerous within the first three months of pregnancy.

The Vatican daily, *L'Osservatore Romano*, said today that the plan to permit therapeutic abortions in the contaminated area is "definitely workable."

The government decided to allocate funds for the most urgent needs of the evacuees and for some aid to the industrial, commercial and agricultural activities affected by the pollution. It was estimated that about 1,000 workers lost their jobs as the result of the closing of firms and the evacuation of several large farms.

**French Bishop Warned on Mass**

PARIS, Aug. 3 (AP).—The Most Rev. Roger Etchegaray, president of the Conference of French Roman Catholic Bishops, implicitly warned dissident traditionalist Bishop Marcel Lefebvre today that he faced excommunication if he went ahead with the mass he plans to celebrate in Lille Aug. 28.

Mgr. Etchegaray, the archbishop of Marseille, issued a statement addressed "to all Catholics of France," accusing Mr. Lefebvre of "systematically disregarding the (Vatican II) council, rejecting the authority of the church of today in the name of the church of yesterday, and by his example—driving some of the faithful away from the links of obedience to their pastors."

[Mgr. Lefebvre was quoted today as saying that he is "ready not to go to Lille if that can help avoid further complications." Reuters reported.]

**Soviet Chess Star Gets Dutch Haven**

THE HAGUE, Aug. 3 (AP).—Soviet chess grandmaster Viktor Korchnoi, who applied for political asylum in the Netherlands last week, has been granted a permit to stay in the country for six months, the Justice Ministry announced today.

The world's No. 2 player has been in hiding since he asked for asylum. The ministry said it "will further consider his request to be recognized as a political refugee."

Mr. Korchnoi, 45, of Leningrad, stayed on in this country after trying for first place in a chess competition here. His wife, Bela, is still in the Soviet Union. They have a 17-year-old son.

**U.K. Unit Backs Mercenary Right**

LONDON, Aug. 3 (AP).—British should be allowed to serve abroad as mercenaries, but the government should ban their recruitment in this country, a government commission recommended today.

The report, arising from mercenary activities in the Angolan civil war, said that to prevent a British citizen from accepting service overseas would be a restriction on his personal freedom.

Any new curbs should concentrate on the activities in Britain of the men who do the hiring, said the three-member panel headed by Lord Diplock, a judge. The report will now be studied by the government.

**Australia Drops Probe Of Massacre Charge**

SYDNEY, Aug. 3 (UPI).—Defense Minister Jim Killen called off today an inquiry into allegations that Australian soldiers massacred 37 unarmed Vietnamese civilians in a 1970 attack south-east of Saigon.

Jim Cairns, deputy prime minister in the former Labor government, made the charges Sunday after a two-week trip to Vietnam. Mr. Killen yesterday ordered a full investigation, but today the minister said, he was satisfied that the massacre did not take place. "The matter is closed," he said.

## Italian Town's Toxic Fumes May Force New Evacuations

SEVESO, Italy, Aug. 3 (AP).—Officials said today that they may evacuate more persons because of poisonous vapors that escaped more than three weeks ago from a chemical plant near this town in northern Italy.

Authorities said that light deposits of fallout have been found in some areas near the villages of Desio and Cesano Maderno, south of the Isona chemical plant.

"We do not plan more mass evacuations as pollution is light in such areas," a health official said. "However, we might decide to send about 100 children and pregnant women away as a precaution."

A heavily polluted area of 250 acres has been fenced off, and the 630 men, women and children who lived there have been evacuated. Some experts said that it might be several months or even years before they could return.

As a precaution, about 200 Syrian children were sent to vacation resort in the Swiss-owned area, released a cloud of highly toxic TCDD (tetrachlorodibenzodioxin), a chemical used in some defoliants. Thirty-five persons have been hospitalized for poisoning or skin infections, hundreds of birds and animals died, vegetables and foliage withered and health officials warned that the residue could have harmful effects on those who came in contact with it.

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**U.K. Unit Backs Mercenary Right**

LONDON, Aug. 3 (AP).—British should be allowed to serve abroad as mercenaries, but the government should ban their recruitment in this country, a government commission recommended today.

The report, arising from mercenary activities in the Angolan civil war, said that to prevent a British citizen from accepting service overseas would be a restriction on his personal freedom.

Any new curbs should concentrate on the activities in Britain of the men who do the hiring, said the three-member panel headed by Lord Diplock, a judge. The report will now be studied by the government.

**Australia Drops Probe Of Massacre Charge**

SYDNEY, Aug. 3 (UPI).—Defense Minister Jim Killen called off today an inquiry into allegations that Australian soldiers massacred 37 unarmed Vietnamese civilians in a 1970 attack south-east of Saigon.

Jim Cairns, deputy prime minister in the former Labor government, made the charges Sunday after a two-week trip to Vietnam. Mr. Killen yesterday ordered a full investigation, but today the minister said, he was satisfied that the massacre did not take place. "The matter is closed," he said.

**Spain Amnesty Will Begin Today**

MADRID, Aug. 3 (UPI).—The amnesty by King Juan Carlos that is expected to free as many as 600 of Spain's estimated 635 political prisoners is to be put into effect starting tomorrow, a spokesman for the Information Ministry said today.

He said the decree's publication in the official gazette—which will initiate the actual process of freeing the prisoners—was scheduled for tomorrow morning.

The amnesty, called by the Spanish Communist party General secretary, Santiago Carrillo, "a step toward the reconciliation of Spaniards," was announced Friday. But so far no political prisoner has yet left jail.

## Battle to Block Changes in Constitution

## Gandhi Foes Try to Limit Emergency Rule

NEW DELHI, Aug. 3 (AP).—Charging that Prime Minister Indira Gandhi is trying to make her authoritarian rule permanent, non-Communist opposition parties are mounting a last-ditch campaign to block her plans to amend the Constitution.

Set with the government enjoying a two-thirds majority in both houses of Parliament, Mrs. Gandhi is expected to win an easy triumph when the amendments come up for debate later this month.

Although the government's final proposals have not been announced, officials of the ruling Congress party who have studied the issue since March have repeatedly stressed that the thrust of the constitutional amendments would be to insure the "supremacy of Parliament."

The officials have said that the legislation is also designed to limit judiciary's power to overturn legislation passed by Parliament.

**Onright Ban**

According to one proposal under consideration, there would be a flat ban on judicial review of constitutional amendments. The courts would be allowed to consider the validity of ordinary legislation, but decisions by the judges would have to be a two-thirds majority, instead of a simple majority as at present.

The Congress party has argued that the constitutional changes are necessary "to remove hurdles and pave the way for rapid and far-reaching economic changes." But an opposition-backed committee that includes representatives of non-Communist parties and leading jurists has taken a different view.

"The committee has no doubt that the claim made by the ruling party that the constitutional changes proposed by it are necessary for achieving economic objectives is nothing but a cover for achieving wholly different objectives," the opposition members said in a statement released Sunday night.

"It is clear to the committee that the drastic changes in the Constitution which are being proposed by the ruling party are for the purpose of institutionalizing the present emergency on a permanent basis and for establishing an authoritative polity in the country."

**Checks and Balances**

The statement also contended that the ruling party's proposals would "emasculate the concept of checks and balances by seriously diminishing the scope of judicial review."

Finally, the opposition committee urged that Parliament not consider any constitutional amendments until "fresh elections have been held under conditions conducive to the holding of free and fair elections."

The committee argued that the existing Parliament "has forfeited its moral and political authority to amend the Constitution" because its regular five-year term expired in March.

"Parliament's term was extended for a year when the Congress party decided to postpone national elections for the first time since independence, arguing that a vote then would have dis-

rupted attempts to improve political and economic conditions in the country."

Mrs. Gandhi's view is that her party still has its mandate from the electorate, based on the 1971 parliamentary elections that returned the Congress party to power with a landslide two-thirds majority.

**Public Discussion**

The government and the opposition also differ on whether there has been sufficient public discussion on the constitutional changes.

Law Minister H. R. Gokhale said last week that he was "happy over the countrywide debate." He cited newspaper articles on the topic and suggestions that he had been received from universities, bar councils and lawyers.

The opposition committee, however, maintained in its statement that "no such free debate has been allowed by the government."

The latest opposition statement itself was heavily censored, with newspapers not allowed to publish the suggestion that Parliament should not take up the constitutional issues until fresh elections are held.

**Pondicherry Decays Gently But Is Still Neat, Quiet, Clean**

By Henry Kamm

PONDICHERRY, India (NYT).—The sound of the ceiling fans, the indispensable backdrop to colonial life in the tropics, is a squeak now in this sweltering enclave on the Bay of Bengal that France ceded to India more than two decades ago, and the flies hover low instead of clearing out.

To drive into the heart of the city from Madras, 85 miles to the north, is to leave India—with its unadorned, underhoused and underdeveloped streets.

Pondicherry is genteel, neatly laid out, quiet and clean as is no other town of its size in India. It is eccentric, and it is inexorably and gently going to seed. The few hundred colonial administrators, soldiers, importers, doctors, priests, teachers and dentists for whose sole comfort the city was built by the French, who arrived on the Coromandel coast of southeastern India in the 17th century, have gone home. Their place as the local elite has been taken by the followers, Indian and European, of a guru of yoga.

**A Few Frenchmen**

A few Frenchmen remain—a Corsican who manufactures eau de Cologne and a little pasta on rue Dumas, a creole who runs the Grand Hotel de l'Europe, which is a faded relic of the 19th century and whose determined French menu has not changed except for occasional compromises to dissemble the absence of some ingredients.

There are a couple of dozen French teachers, who staff a French school and who appear, for the most part, to be best with nostalgia for years just passed in similar schools in Cambodia or Laos.

There is also a French consulate general. In its waiting room a photograph of President Valéry Giscard d'Estaing looks crisply from a moldy frame over a dining table dominated by a plaster bust of Marianne, a yellowing map of France's railroad system, creaking furniture and an incongruous poster inviting the sweating visitors in saris or lona wraps to go skiing in France.

**Le Merjane**

Despite the lona wraps, saris and familiarity with the French language that ranges from halting to marginal, the visitors are French. They are local people who opted for France in what is called here *Le Merjane* of 1964, in which the enclave and three other small French territories was merged into India.

The flow of visitors to the consulate is mainly made up of their children, French citizens as well, and concerns their hopes for going to France. For the lucky 700 who find room there, the French school is a way station to a land of opportunities lacking in India.

France provides scholarships grants and school places for those whose French is good enough. The demand is so high that even the occasional examinations for admission to the French Army have mass appeal—but few successful candidates, because most of the French citizens here speak no French.

The principal value of a French passport to thousands of young people since 1964 has been that it opened the way to get out of India.

**French Beauty**

For about 1,000 of those who remain—there are 12,000 Pondicherrians of French citizenship—France provides bounty in the form of pensions for former soldiers and salaries for those who work at the consulate or at the large office that the French paymaster maintains.

The payments, which convert into sums of rupees that seem astronomical to Indians, are a case of deep jealousy, often for jobs.

"It serves nobody's purpose to appoint black personnel unless they fulfill all the qualifications," Mr. Klesinger said.

Mr. Klesinger said the State Department was "giving preference to black personnel whenever possible."

**Britain Welcomes Call**

LONDON, Aug. 3 (UPI).—The government today welcomed Mr. Klesinger's call for a negotiated settlement between the white minority and black African majority in Rhodesia.

**Food Poisoning in Italy**

PROSENONE, Italy, Aug. 3 (AP).—About 100 persons were stricken with food poisoning after eating wedding cakes and other pastries produced by a bakery near this city south of Rome, police reported yesterday. Twenty-six persons were hospital-

ized last week that he was "happy over the countrywide debate." He cited newspaper articles on the topic and suggestions that he had been received from universities, bar councils and lawyers.

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الطريق إلى

## Hired to Clean Vermont Town

### History of a Drug Agent: 105 False Arrests

By John Kiteur

ST. ALBANS, Vt., Aug. 3 (NYT).—Paul Lawrence came into this town in August, 1973, like Wyatt Earp.

There were hippies all over Taylor Park and along Main Street then and the city fathers, in effect, wanted a hired gun to clean up the little town.

Within a year, the detective had made more than 100 arrests, organized the biggest drug raid in the state's history, was expanding his work into other parts of northern New England and was being considered to head a planned statewide drug enforcement agency.

Now Lawrence is in jail. A special state commission last week finished reviewing 240 cases brought by Lawrence and it has recommended that all of those arrested be pardoned.

Gov. Thomas Salmon, calling the Lawrence affair "a sad day for law enforcement," has said that he would issue a pardon to anyone convicted on Lawrence's word alone.

#### Frivolous Arrests

A special prosecutor appointed by the governor has determined that all but one of the 106 arrests made by Lawrence in the St. Albans area were fraudulent. The prosecutor is convinced that most of the drugs entered as evidence came from the New York State Police Laboratory.

"It was lawlessness of the first order," said the special prosecutor, Robert Gensberg.

The story of Lawrence is the story of clashing generations and values in U.S. life. Among the merchants and storekeepers of St. Albans, there are many who still think Lawrence did a good job.

"We wish that Lawrence had been able to make the arrests legally. We do feel sorry about that," Mayor Melvin Mays said in the back of his shoe store the other day.

It was shocking, the mayor recalled, when the changes of the 1960s rippled into this quiet backwater town near the Canadian border.

#### Drug Overdose

Suddenly, it seemed, there were dirty, long-haired ragged youths drinking beer at all hours in the park in the center of town. At the local high school, there was talk of heavy drug use. A young woman died of a drug overdose in the park.

It was all a bit much for this town of 8,000.

To those familiar with narcotics investigations, Lawrence's method of operation raised questions. He always worked alone; there was never corroborating evidence of his alleged narcotics buys. The drugs presented as evidence were not placed in safekeeping. He took them back to his apartment and, eventually, to the New York State Police Laboratory in Albany.

Chief George Hebert gave him roughly \$12,500 for his supposed drug buys. The money was never recovered or used as evidence.

Mr. Gensberg, who investigated the case later, found his suspicions also were aroused by the extraordinary number of heroin buys in a small town.

#### Lot of Drugs

Otto Koerner, the former proprietor of a local bar, and others conceded that there were a lot of drugs around at the time.

But, they said, the drugs were primarily marijuana, LSD and amphetamines (known as "speed") rather than the heroin that figured prominently in the arrests made by Lawrence.

"It was a tough time," Mr. Mays said, remembering the fear of the drugs. "We were in a real quandary. The laws seemed to be much more in favor of those accused and the law enforcement officers had both hands tied behind their backs. The city council was alarmed. The taxpayers were demanding action."

So the city council voted \$8,000 to hire Lawrence, who was then 28 and is now 31, as an undercover narcotics agent.

Lawrence, a former state trooper, was then chief of the four-man department in the town of Vergennes. But he was not all that he seemed.

He was discharged from the Army shortly after basic training for "character and behavior disorders." He resigned from the state police in October, 1971, shortly before an internal report found that he had beaten a handcuffed prisoner with a flashlight.

#### Controversial Cases

Much of Lawrence's work had been devoted to narcotics cases, some of them controversial. In the Brattleboro area in 1970, he testified in two cases that he had, at the same time, purchased drugs from two persons in two different places. Suspicious, the county prosecutor would no longer take Lawrence's cases unless he took a polygraph test, which he refused to do.

Officials in St. Albans, however, knew none of this and townspeople voiced approval as Lawrence's efforts led to the first wave of arrests of 27 "long hairs." Sale of heroin, the charges read—heroin, cocaine, LSD, heroin, heroin.

The young people shouted that they were being framed. For the three defense lawyers who handled most of the cases, Joseph Cahill, James Levy and Daniel Lynch, it was the beginning of a period of frustration.

"It was like a Russian novel," said Mr. Cahill, who was then the area's public defender. "Here you had clients you knew were innocent and nobody would listen to you."

Throughout the fall and winter, there were more arrests and swift convictions.

#### Entrapment Scheme

Then the bubble burst. Because he became so widely known in the area, Lawrence was sent to the police department in Burlington, just across the county line.

The Chittenden County prosecutor, Patrick Leahy, who was then running successfully for the U.S. Senate, became alarmed by Lawrence's reputation and devised a scheme to trap him.

He borrowed an undercover man, Michael Schwartz, from the Brooklyn district attorney's office. A mug shot was taken of Mr. Schwartz, and a false police record describing him as a drug dealer was placed in the Burlington Police files. He was given a nickname: "The Rabbi."

A police sergeant said within Lawrence's hearing that "The Rabbi," a big drug dealer, was back in town.

Mr. Schwartz was sent out to sit on a park bench while the police watched from a nearby hotel room. Lawrence drove along the street, spotted Mr. Schwartz and, without talking to him or even walking through the park, returned to the police station and said he had made a heroin buy, according to testimony at his trial.

Lawrence was arrested the next day and Gov. Salmon appointed the special prosecutor to look into the affair. Lawrence was convicted and sentenced to a four-to-eight-year term on charges of a false buy from Mr. Schwartz.

Mr. Gensberg, the prosecutor, brought perjury charges against him for two counts of lying about his military record and got a sentence of a maximum of 10 years. Mr. Gensberg also secured indictments on four other counts but decided not to prosecute them, he said, in order to concentrate on reviewing the cases for pardon.

Sad Examples  
"Here's one kid who was mentally sound before his arrest and now has a history of two years in and out of mental hospitals. There are two to three cases of marriages breaking up. Here's a letter from a girl whose family threw her out and would never believe her. Here's a guy who can't get meaningful work," Mr. Gensberg said.

In his investigation, Mr. Gensberg became convinced that the drugs submitted by Lawrence as evidence for his first series of supposed heroin buys, for the purchase of an extremely rare five-sided tablet of LSD and for the only opium arrest ever made in Vermont, all came from a drug sample kit given to him by a friend in the New York State Police Laboratory.

At the state prison farm in Windsor, Lawrence maintained his innocence in a telephone interview. "I had a surveillance on a place where a lot of dealing was going on and it led to the state's attorney, who is now a senator, and a lot of his assistants who were dealing," he said. "That's why I got busted."

Leahy needed the liberal vote. It was all political.  
Things are quieter in St. Albans now. Signs around the park announce a 12:30 a.m. curfew and warn against alcoholic beverages. Hippies give the town a wide berth. "Life goes on," said a lawyer. "Has anybody learned anything? Probably not. Can it happen again? Sure."

Organized by chief Viking scientist Dr. Gerald Soffin, the team is comprised of organic chemists, physicists, physical chemists, biologists and biochemists.

"They have formed a tentative hypothesis that some unique photochemistry [reaction of sunlight on the soil] is occurring or Mars that is causing the surface to produce the kinds of responses we are seeing," said Dr. Levin.

Dr. Levin would not say what the odds were that the mysterious process was being caused by living organisms. But Dr. Soffin sounded a note of caution, saying, "This very easy to mislead this as life signs when actually it may be a unique chemistry..."

Organic Matter Sought  
The instrument—a gas chromatograph mass spectrometer—will search for molecules of organic matter which, if found in sufficient amounts and complexity, would strongly suggest living organisms are present.

A hastily organized special scientific team was undecided on the puzzling gas emitted by a dirt sample already inside the mini-laboratory.

Soon after a liquid nutrient was fed to the bit of soil last week, gas containing a radioactive tracer in the nutrient began pouring out at a startling rate. Dr. Gil Levin, who heads the team monitoring the experiment, said yesterday the gas generation was no longer accelerating and had reached a steady flow.

But neither earth organisms nor nonliving chemical processes known to scientists here could explain the rate at which gas was emitted by the soil sample, said Dr. Levin.

Different Curve  
"Biological responses [in experiments on earth] that started this rapidly have generally continued to evolve gas for a longer



NYT. Paul Lawrence in office.

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Associated Press. HIGH TIDE—Shoes in hand, a Miami policeman checks a car stalled by a rainstorm during the rush hour.

## Army Document Tells of Bid To Hide Fatal '53 Drug Test

By Joseph B. Treaster

NEW YORK, Aug. 3 (NYT).—An internal Army report made public yesterday tells of a government effort to conceal the Army's sponsorship of experiments with hallucinogenic drugs that resulted in the death of a civilian subject in New York 23 years ago.

The report quotes one of the physicians in charge of the fatal test as saying that the drug was administered not for the benefit of the patient but "in an attempt to create an exaggerated mental state (schizophrenia)."

The death of the civilian, Harold Blauer, 42, was disclosed by the Army last August at a time when the drug experiments were being investigated by Congress and by journalists.

There are conflicting accounts in the report as to the extent of the physical examination given to Mr. Blauer, a professional tennis player, but an Army colonel and one of the doctors in charge are cited as indicating that the examination was not thorough and that if they had had more information, the drug, a derivative of mescaline, would not have been administered.

Patent Not Informed  
Furthermore, the report quoted a Department of Justice memo as saying that "neither the patient nor his family were advised of the proposed therapy (sic) or gave permission."

In its disclosure last August, the Army said it appeared the drug was being used for "diagnostic" purposes.

Rep. Thomas Downey, D-N.Y., made the new report available to reporters and said it had been compiled by the inspector general of the Army. He said that the decision to keep secret the Army's role in the test had been made "in the interests of national security and to avoid adverse publicity."

A spokesman for the Army said that the Army had not been aware that the report was being released and could not immediately comment on it.

She said that the report, which was completed last September, had not been made public by the Army because of litigation against it by members of the Blauer family.

Mr. Blauer's daughter, Elizabeth Barrett, 36, a widow who lives in Manhattan, has filed a federal tort claim for \$8.5 million for the "wrongful death" of her father and an \$85-million civil suit alleging that government officials, Army officers and doctors conspired to cover up a "wide-scale experimental drug program on human subjects."

Mr. Blauer died on Jan. 8, 1953, at the New York Psychiatric Institute, which is affiliated with nearby Presbyterian Hospital and the Columbia University College of Physicians and Surgeons.

Four days after the Army's disclosure last year about the death, Rep. Downey told The New York Times that he believed the Army had deliberately tried to cover up its involvement in the incident.

Then, last September, The Times told in an article how officials of the New York State attorney general's office, the U.S. Department of Justice and the Army had maneuvered to keep the Army's role secret as a New York state lawyer arranged an \$18,000 out-of-court settlement with Mr. Blauer's widow, who had filed two claims for a total of \$250,000. The inspector general's report appeared to confirm the earlier reports in The Times.

When Mrs. Barrett, who uses her middle name rather than that of her husband and does not use the honorific Mrs., filed her claims, she maintained that any releases obtained from her mother in the case had been obtained fraudulently.

Mrs. Barrett has said that her father admitted himself to the Psychiatric Institute in early December, 1952, suffering from "depression and tension" after her mother divorced him and went to Mexico. She said he had been scheduled to be released from the institute the day after the fatal experiment.

Documents detailing the experiment with Mr. Blauer indicate that he protested the injections.

In the latest report, Dr. James Castell, one of the three doctors listed as "principal investigators" in the experiment and the only one still alive, is said to have told Army investigators that the drugs administered under Army contract to patients at the institute were "in addition to diagnostic and therapeutic treatment."

Dr. Castell, who is believed to be in private practice now in southwestern Massachusetts, is quoted as saying his recollection was that the drugs were being given to simulate schizophrenia to give "researchers an opportunity to develop a treatment for this condition."

The appearance of the diminutive man, dressed in a white shirt, visibly gripped the audience of 6,000 in the Civic Center auditorium for the hunger symposium.

Mother Teresa has become the most magnetic figure at the congress. Wherever she goes, crowds follow her hoping to touch her garment or hear her speak some words of assurance.

Following her lead, others on the platform took leaves and distributed them.

The growing seriousness of nutrition as a church issue put it high on the congress agenda. During the week the assembly, which is expected to draw a million visitors, has scheduled symposia on the physical and spiritual hungers of mankind.

Among those addressing the hunger conference were the Very Rev. Pedro Arrupe, superior general of the world's Jesuits, Bishop James Rausch, executive secretary of the U.S. Catholic Bishops' Conference, and Archbishop Heider of Philadelphia.

Meanwhile, a ship at a Philadelphia pier was being loaded with 2,000 tons of rice destined for Bangladesh as a gift of the area's contributors to Operation Rice Bowl, an agency that grew out of planning for the congress.

## Mystery Disease Toll at 19 in U.S.

HARRISBURG, Pa., Aug. 3 (AP).—The death toll from a mysterious disease which broke out after an American Legion convention last month has risen to 19 and 52 persons are hospitalized, a state official said today.

State Health Secretary Leonard Bechman said at a news conference that medical investigators have not discovered the identity of the disease. Its symptoms include fever, headaches, chest pains and lung congestion.

"We've never had an outbreak like this," he said as new cases were being reported this morning. "I think it is most likely a virus, but virus pneumonia is the closest I'd call it now."

He said that swine flu is a "possibility."

Princess Grace was accompanied by her husband, Prince Rainier, who also spoke, and two of their children, Princess Caroline and Prince Albert.

Hunger Symposium  
The hunger symposium heard speakers repeatedly tie the food problem to a basic world economic and political policies.

Bishop Rausch urged his listeners to consider the issue "primarily in terms of the demands of social justice in an increasingly interdependent world."

"Justice recognizes the rights of others and seeks various structural changes required to meet these rights," he said, suggesting that Christians give a "witness" by reducing their food intake and working for governmental reforms.

Father Arrupe, after outlining the complexities of the hunger problem, offered a practical response. Proposing that more Christians follow the example of participants in Operation Rice Bowl, who fasted at least one meal a week and donated their money to the church, Father Arrupe said:

"If this challenge were taken up merely by Roman Catholics and in the United States alone, and if the amount saved only averaged out at \$1 per person per week, this would reach the huge sum of over \$2.5 billion a year."

Tehran Crash Kills 5  
TEHRAN, Aug. 3 (Reuters).—Five South Korean crewmen were killed when their cargo plane, a Boeing 707, hit a mountain and crashed shortly after takeoff here yesterday, a South Korean Embassy spokesman said.

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## The Portuguese Model

"This," Mario Soares told the Portuguese National Assembly, "is the first time in 50 years that a Premier has come here to render accounts to the representatives of the Portuguese people." And, fittingly enough, he summed up his program in four hours of explanation: the Assembly will debate it over five days.

Mr. Soares' problem, and that of Portugal, is grave and complex. An economy that is badly battered, a government that must prove itself, a wide spectrum of ideology—all of these go into the work that the Premier and the Assembly must undertake. And they do so under the watchful eye of the military, itself still divided on goals, as well as of a populace that has made a strong bid for a genuinely democratic state, but which contains volatile elements that could threaten that state.

It is not surprising, therefore, that Mr. Soares, himself a Socialist, is seeking a broad consensus as he takes up the task of restoring Portugal to a sound economy under an effective, popularly chosen, government. But the Soares idea of Socialism on the Portuguese model—"competitive coexistence between capitalism and socialism"—was more than a political base on which to found a coalition. It is something that Western Europe has evolved since World War II, a wedding of dogmas that has been celebrated

in most countries there, and which offers better hopes of success and durability than the kind of confrontation that once was the rule.

It has, for example, worked very well for West Germany, and is gaining acceptance in a Britain shaken by too great an adherence to theory. Soares will stand on the Socialist advances made during the military regime—but he recognizes, as do the British, that the old Socialist cure-all of nationalization is by no means necessarily a remedy. The notion was that the profits of nationalized industries would go to the nation—but in fact it has too often been the case that the nation must assume the losses of such industries.

And the Portuguese model may provide a better way of coping with the third force of modern industrialized societies—the labor unions—than either an avowedly capitalist or dogmatically Socialist program. It is a pragmatic approach—and that is one that labor has shown, in both democratic and Communist countries, is necessary to meet the often conflicting demands of higher wages and competitive world market prices.

Mr. Soares seems to have made a good beginning for the new Portugal. It is like the elections that preceded it—only a beginning. But there has to be a first step, and the Portuguese Premier seems headed in the right direction.

## Apartheid on Trial

South Africa's "separate development" policy has been dealt a savage blow which the country's white rulers will find it difficult to explain to 18 million blacks and an already skeptical outside world. Three months before the showpiece "homeland" known as Transkei is to be granted "independence" from the white government in Pretoria, its black leaders headed by Chief Kaiser Matanzima have arrested nine prominent members of the opposition Democratic party.

The reason for the arrests is clear: Hector Nkomo, leader of the Democrats, is an eloquent opponent of an "independence" he regards as bogus and an apartheid policy that he and his colleagues condemn as destructive of the rights of South Africa's black majority. The detentions prevented Democratic members from participating in the final debate of the Transkeian legislature on the Constitution that will go into effect with "independence."

If they are still in detention they will also be barred from running in the legislative elections scheduled for a month before the independence date of Oct. 26. In that event, Matanzima would take over as prime minister of an "independent" Transkei operating under a state of emergency after farcical elections—hardly the situation envisioned by the white architects of apartheid for their model "homeland."

Matanzima's repressive action is merely

the latest exposure of glaring flaws in the apartheid policy as applied to the Transkei and eight other "homelands." The Pretoria government has decreed that when the Transkei becomes independent, 3 million blacks belonging to the Xhosa and Sotho tribes automatically become Transkeian citizens. This means that 1.3 million of these, who live outside the Transkei, will lose South African citizenship, whether or not they have any genuine links with the Transkei.

One of the most deplorable aspects of "separate development" is that, if carried to completion, it will leave without any real political rights about half of South Africa's black population, whose labor will still be needed in "white" areas to fuel the country's economy. The 1.3 million Xhosa and Sotho will be only the first to be arbitrarily reclassified as aliens in what most of them have always regarded as their own country.

An "independent" Transkei seems certain to be a diplomatic outcast, not only because Matanzima has tried to silence the opponents of independence but because to recognize his government would be to condone apartheid, a cruel hoax for most black South Africans and a root cause of the recent outbreaks in black townships that provoked such savage reprisals from South Africa's white rulers.

THE NEW YORK TIMES.

## International Opinion

### OECD's Economic Blueprint

The [OECD] scenario has the merit of drawing economic inferences from the main change that has occurred in recent years, a change which concerns not consumer habits, as was said a little too hastily, but the structures of production. The rise in energy prices, sharp wage increases, the struggle against pollution all make necessary a major modification in the internal distribution of incomes. The industrialized countries will have to export more, because trade conditions have been modified detrimentally to them (because of the rise in oil prices). They will have to devote a larger part of their resources to investments. Hence the necessity to effect a transfer from the revenues from work to the revenues from capital. This paradoxically means that the economic "pattern" of the West will have to draw closer to that of the Communist countries, where the consumer is treated as a poor relative.

—From Le Monde (Paris).

### Britain and Uganda

It is difficult to see what has been achieved by [Britain's] severing the links with Uganda. President Amin's regime is a cruel, chaotic parade of power. There is nothing to be said in its favor. But for the sake of continuity and contact, and in hope of better things to come, Britain maintains relations with various unpleasant systems all over the world. This does not express any degree of approval for those systems. Why should Uganda be an exception to this practice? ... Compared with the ugly face of Amin's

Uganda, Kenya presents a picture of a relatively humane, relatively multiracial and unreservedly Western-looking society. Kenya is, of course, an imperfect developing society, but at least it offers more hope than the feudalism of Amin's Uganda.

—From the Sunday Times (London).

### Reagan's Bluff

Reagan, the champion of conservatives, has surprisingly chosen the most liberal of the senators as his running mate. . . . It is still too early to know whether the poker bluff of the man from the West will prove rewarding or will ring the knell of his candidacy. But Gerald Ford has snatched from John Connally . . . a support that constitutes a major trump card. Gerald Ford has not said that he would make Connally his running mate, but he did not say the contrary either.

—From Le Figaro (Paris).

### EEC and Law of Sea

Whatever progress is made at the fifth session of the UN Law of the Sea Conference, which opened in New York Monday and will last seven weeks, is not likely to be of any help to Britain in the immediate problems we face over fishery limits. This is because the principle of 200-mile "economic zones" offshore each coastal state—to include fishing and fish-conservation rights—has already been agreed in all but final legal form, but the nine countries of the European Economic Community, including Britain, have yet to agree how to regulate the EEC's own 200-mile "pond."

—From the Daily Telegraph (London).

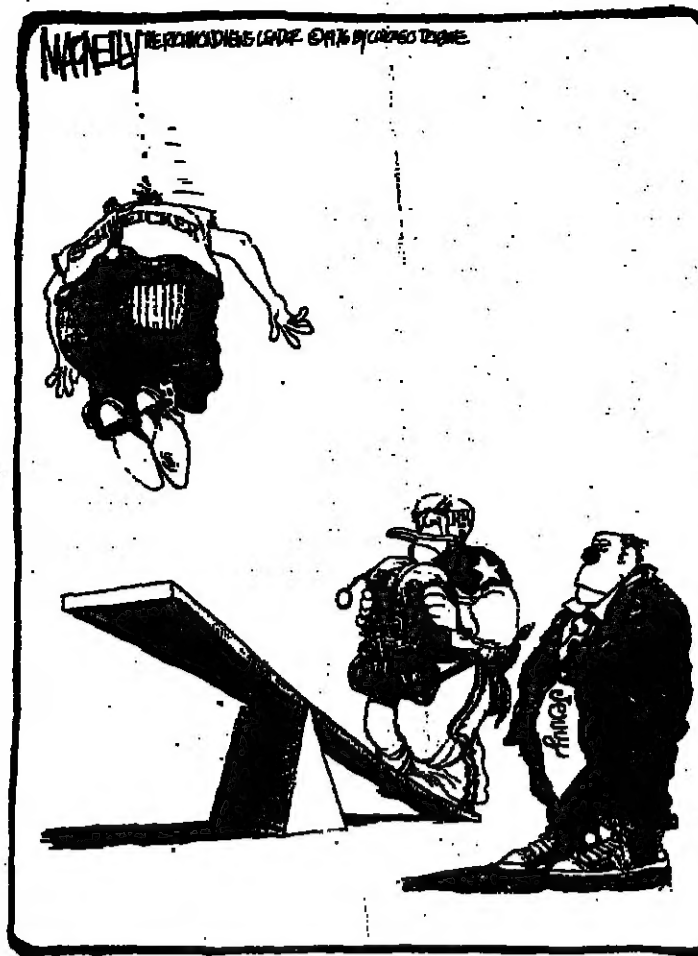
## In the International Edition

### Seventy-Five Years Ago

WASHINGTON.—According to Nicaraguan sources, President Zelaya in his message to the Nicaraguan Assembly yesterday proclaimed the adoption of his government to the Monroe Doctrine in its fullest extent. He eulogized the efforts of the U.S. government in opposing all attempts of European governments to colonize in South or Central America, or to interfere in the isthmian Canal project.

### Fifty Years Ago

BOSTON.—Albert J. Beveridge, former senator from Indiana, declared at a Republican meeting yesterday that he expected to see President Coolidge renominated by acclamation in 1928 and elected overwhelmingly. "We need a man at the head of the government," he said, "who does not lose his head and balances all the elements, and it is for this reason that I am exclusively for Calvin Coolidge."



## Targets for a Tax Revolt in U.S.

By David S. Broder

WASHINGTON.—In the past two decades, the share of the average family's income paid in direct taxes has almost doubled. Those families with twice or even four times the income have experienced only half as big a relative increase in their tax load.

That startling measure of the shifting burden and increasing inequity of taxes is but one of the many findings buried in a booklet with the intimidating title of "Significant Features of Fiscal Federalism, 1976 Edition." It was released at a press briefing last week by the Advisory Commission on Intergovernmental Relations, a 17-year-old agency in which representatives of national, state and local governments study the operations of the federal system in the United States.

In the past, the ACIR's dry-as-dust statistical studies have fueled recommendations which led to such major changes as the general revenue-sharing program.

### Next Decade

New reports from the commission's Washington staff illuminate some of the realities which will shape the policy choices that all levels of government will be making in the next decade.

One table, for example, shows the extraordinary shift from defense to domestic welfare spending in the past 22 years. In 1954, at the end of the Korean war, the federal defense budget was almost equal to the combined domestic spending of federal, state and local governments—\$47.1 billion for defense; \$49.9 billion for all domestic programs. This year, the domestic expenditures have risen to 78 per cent of the government pie, while defense has shrunk to 22 per cent.

To put it another way, half of the past two decades' rapid growth in domestic spending has been financed by taxes and deficits, and half by shift in spending from defense to civilian programs. The implication: Unless new international agreements are reached, domestic program growth will have to slow. The armed services cannot continue to subsidize half its expanding cost.

### Surprising Insights

Here's another example of the surprising insights the ACIR studies afford. Probably no two topics have generated more controversy about the proper role of government than education and health. From the way they're discussed, one would think the records were comparable. Not so.

In 1950, the federal government paid 27 per cent of the education bills in this country; state and local governments paid 73 per cent. In 1975, the private share was up 2 per cent, the state and local government up 11 per cent, and the federal share had been cut in half to 13 per cent.

Reason: The main variable in federal education spending is the size of the veterans' educational programs—higher after World War II, much reduced now. The more controversial federal aid to education programs are, relatively speaking, insignificant. Now, contrast that with health spending. So far, most of the public debate suggests that the question of national health assistance is still to be settled. The trends say otherwise. In 1950, the federal government's total expenditure on health and medical care was \$1.4 billion. State and local expenditures were barely more, and the private sector paid for 74 per cent of the total health bill. As recently as 1965, the same ratio held—75 per cent private dollars in the health field.

### Spending Boom

But in the last decade, federal health spending has literally exploded—to eight times the dollar amount of 1965, and the private share of the health bill has dropped below 50 per cent. If the trend continues, government will soon be paying more than half of all medical bills—and we had better hope there is a national health plan by that time. If only for cost control.

Let's get back to that first matter of surprise—tax burdens—

and compare what's happened to the average family, the well-off family, and the poor. In 1953, the average family had an income of \$5,000. By 1975, it had risen to \$14,000. The well-off family is defined as having twice that income in each year, and the wealthy family 4 times that much. The direct taxes on the average family rose 92 per cent in those 22 years; the well-off family's taxes 49 per cent; and the wealthy family's 46 per cent. No wonder.

there is a tax revolt in this country. But what taxes are really to blame? The ACIR study shows two major culprits, neither widely suspected by most taxpayers. The average family had a 26 per cent increase in its federal income tax burden in that period. But far more important was the 400 per cent increase in Social Security taxes, which went from just over 1 per cent of the family income to almost 6 per cent.

The other big source of inequity was the state and local income tax system. The average family had a 53 per cent increase in those taxes, more than twice as much as their wealthier neighbors experienced.

Thus, the tax revolt should be aimed at the federal Social Security taxes, and the state and local income taxes. That is another surprise from this deceptively innocuous advisory organization.

## Are We—or Is Our Strategy—MAD?

By C. L. Sulzberger

PARIS.—A gloomy stir has been created in NATO Europe by the University of Miami's publication of a book called "War Survival in Soviet Strategy," by Prof. Leon Gourevitch. The Russian-born Gourevitch emigrated to the United States in 1940, eventually becoming an adviser on civil defense to the U.S. government.

He believes that Moscow has never accepted the U.S. idea of a balance of terror or that Dr. Strangelove's idea of MAD—the acronym for "Mutual Assured Destruction." The latter reckons if either superpower can count on retaining enough strategic nuclear weapons to destroy the other, after suffering a surprise attack, no government could afford to risk war.

Former Defense Secretary Robert McNamara was the original prophet of this formula and current Washington concepts of "mutual sufficiency"—meaning we need enough power to convince Moscow an assault would be insane—stem from it.

### Two Critiques

During the past week two formidable critiques of allied strategic thinking have been mounted, one in the Times of London by Lord Chalfont, once the senior defense correspondent and a minister of state, the other in the widely circulated "Foreign

Report" of the Economist. Both seem persuaded of the accuracy of Gourevitch's information and come to terrifying conclusions.

"I am deeply sorry if I tread on anyone's dreams," Chalfont writes, "but I feel bound to draw attention to the fact that the nuclear balance, always a fragile and uncertain edifice, is being demolished before our very eyes. . . . while the Strategic Arms Limitation Talks have been going on, and partly as a result of American concessions during those negotiations, the Soviet Union has achieved a position of strategic nuclear superiority over the United States . . ."

"The nuclear balance ceases to exist at the moment when one side believes it has acquired the capacity to deliver an effective nuclear attack upon the other and survive the ensuing retaliation. My proposition is that the Soviet Union is resolved to acquire that capacity in the very near future."

"Foreign Report" predicts the Soviet Union will have valid strategic superiority by the end of this year and asserts that Soviet leaders believe they could then destroy an adversary without suffering unacceptable reprisals. It says Moscow has invested enormously in civil defense and survival programs while the Americans have unilaterally

mothballed their anti-missile defense system. Soviet military writers believe their country's casualties in a nuclear war would be about equal to or even less than those of World War II.

### Buried Food Stocks

Moscow has made civil defense into a separate service of the armed forces under a colonel-general, according to "Foreign Report." Most new factories are built away from large urban areas and "Russian society is now equipped to go underground at short notice" with immense food stocks being buried. Missile sites have been hardened to about 15 times the strength of those in the United States.

In the past decade Moscow has spent more than \$60 billion on assorted civil defense measures compared with \$17 billion in the United States. Frequent evacuation exercises are held in Soviet plants and there is a drumbeat of propaganda on preparedness.

The Russians are deploying 10 new land-based ballistic missile systems and are already ahead of the United States in nuclear throw-weight, total ICBMs and submarine-launched missiles and megatonnage. By 1980 it is possible they may surpass the United States in strategic bombers.

They have accelerated development of chemical and biological weapons while our program has been scrapped.

"Foreign Report" relates all this to a background of Kremlin sweet talk featured by last year's Helsinki European security accord. It quotes a Col. Koram as noting the "unpopularity of civil defense among the wide masses of the population" in the West.

I am in no position to judge the veracity of this information but it is certainly well within the realm of probability that approximately this kind of approach has been going on. For years something similar has lain at the heart of Chinese defensive strategy.

Chairman Mao was quoted long ago as telling French Socialists that even if half of China's population was killed in a conflict, more than enough would survive for China to be victorious. Surely the people of the United States have a right to be informed about the truth of the statements made above so that they can debate whether it is necessary to revise our strategic assumptions. Mere national survival should be the paramount issue of this autumn's election. Are we—or is our strategy—MAD?

## Lebanese Crucible: A Pattern

By Joseph Kraft

WASHINGTON.—Apart from being a terrible tragedy, the civil war in Lebanon has been a diplomatic crucible, a crucible of alignments in the Arab world and between the Arabs and great powers. While the eventual outcome remains uncertain, events are trending in a highly favorable to the U.S. interest of achieving peace in the Middle East and reducing Soviet influence.

At this juncture, to be an event in Lebanon seems a small, less slaughter, as easy to fall as gang warfare. But beneath the daily toll of death and destruction there has been a pattern. The essential feature of the pattern is large-scale Syrian intervention on the side of Christians and moderate Arabs. A chief purpose of that intervention has been to take control of the Lebanese government—leading up to the Arab Liberation Organization of the Arab world—which have been powerful for the Lebanese Christians to handle.

The Syrian intervention has been supported openly by conservative Arab regimes: Saudi Arabia and Jordan. Third conservative Arab regime the government of Anwar Sa in Egypt—has been straddling issue.

### Sellout Charged

Since September, the Syria have been assailing President Sada's Sinai agreement with Israel as a sellout of the Arab cause. In response, the Egypt have attacked Syrian intervention in the Lebanon and occasion given help to the besieged Palestinians.

But the Saudis have pressed Egypt and Syria to patch the quarrel. Many signs indicate that Cairo and Damascus may be coming together on the idea of an Arab League military presence in Lebanon which, in effect, legitimizes Syrian occupation.

These developments have the Soviet Union in an awkward corner. Having been driven to Egypt by President Sadat, Russians have tried to maintain their influence in the area, support for Syria and the PLO. Now their two protégés fighting each other.

The Soviet response has been to help the PLO with arms, pressing the Syrians to compromise with the Palestinians. The question, however, has not been delicate in itself. When the Syrian sign minister visited the Soviet Union a fortnight ago, for example, he was not met at the port or seen off by Foreign Minister Andrei Gromyko, nor there a communiqué on the occasion—a virtual humiliation in eyes.

As a result, forces in line U.S. policy have been set in motion. The Palestinians of Lebanon are now being made subject to the same discipline which in other Arab states. Thus the card in the Middle East, true threat to peace, is gradually being mastered.

The Russians, having in the big game of Syria, are losing influence. Their claim to make Syria, PLO, is coming apart.

### Edged Out

Finally, Syria is being edged out of the radical camp. It seems to be shaping a post-Syrian entente with three U.S. states which have tended to favor a settlement with Israel, Jordan, Egypt and Saudi Arabia. Further development along these lines will lead inexorably to new negotiating position. The PLO in disrepute and discredited as a friend of Syria and the Saudis. Khomeini would perhaps open the negotiation. Israel would accept. That is negotiation Jordan, as distinct from the PLO, over the future of the Arab west of the Jordan River.

These possibilities for step-by-step negotiations have not been lost on Henry Kissinger. Conservative influence in the area is being fostered by sale of sophisticated arms to Saudi Arabia and Jordan. Moreover, the secretary of state is speaking out on all other facts. It is keeping mum on Middle East, the better not to spoil the trend of events.

But the probability is that opportunities will not fully materialize this year. So it would be wise to know that Jimmy Carter's views are not so blinded by the desire of Mr. Kissinger to step-by-step approach as to the significance of what is occurring in the Lebanese crucible.

لبنان، صراع



## Obituaries

## Fritz Lang, 85, Director of Screen Classics

YORK, Aug. 3 (NYT).—Fritz Lang, 85, the Viennese-born director best known for "M," "Killing Off the Western," and other films of suspense, died yesterday in Los Angeles.

Lang had been ill for some time, and had been inactive professionally for a decade.

Lang, who first won his fame in the silent film world of Mr. Lang, was a craftsman who influenced younger directors and put his stamp on the art of cinema, particularly in the psychological, master criminals, psychopaths, child murderers, and the insane.

Lang was profoundly fascinated by fear, horror and death. He said, "My films show my opinion with violence, the way of violence."

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Fritz Lang

from home to study painting in Munich and Paris.

In 1914, war broke out, and Mr. Lang returned to Vienna, where he was conscripted into the army. He was wounded four times and spent a year's convalescence in a hospital in Vienna. There he began writing screenplays.

## Sold Scripts

Mr. Lang sold several scripts to Berlin film-makers before he was given his first directorial assignment, in 1919. The film, which he also wrote, was "Habbhut" ("Half-Blooded") and it concerned a man destroyed by his love for a woman—a theme that kept cropping up in his movies.

In 1920 Mr. Lang married a popular writer of thrillers, Thea von Harbou.

"Dr. Mabuse, der Spieler" ("Dr. Mabuse, the Gambler"), a silent classic, was released in 1922. A two-part film, it featured Mr. Lang's master villain animated by a lust for power.

In 1924, during a brief visit to the United States, he conceived the idea for "Metropolis," a controversial and successful film released in 1927.

schools and push all children into the comprehensive institutions.

Last spring, Tameside, a Manchester suburb, elected a Conservative council that promised to preserve its grammar schools. Education Minister Fred Mulley got a court order directing Tameside to fall into line with the national government's policy.

Its council, however, refused to accept this and carried things a stage further. The court of appeal held that Tameside had not, as Mr. Mulley insisted, acted unreasonably and had worked out a plausible plan to select the brightest pupils.

It was this ruling that the five law lords, who sat on Saturday for the first time in 200 years to hear arguments, upheld yesterday. Now, 240 Tameside 11-year-olds will be chosen from 783 who have applied to the two grammar schools that the suburb will keep open. That is, provided the teachers' unions, as rigidly egalitarian as Mr. Mulley do not go through with their threats to sabotage the selection process.

All this has been hailed by Conservatives as a victory for freedom and a bloody nose for the U.S. counterparts, courts do not consistently executive and legislative. Parliament is not one of equal branches but the authority and ministers powers that Parliament ably delegates. The very fact that private citizens and government officials could be the courts for relief is a remarkable development.

Elizabeth I, grammar have been the real glory British educational system—and in some cases state-supported, they brightest children at age 11. They draw from the lower-middle-class who went on to better thanks to grammar schools, former Prime Minister Harold

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In "Metropolis," he used expressionism in a vision of the struggle between capital and labor in a futuristic society in which the machines rule the people who created them.

## Leaves Germany

The film that led to Mr. Lang's exile from Germany was "The Testament of Dr. Mabuse," a sequel to his 1922 movie about the master criminal. Mr. Lang put Nazi slogans into the mouths of the evil characters. After the picture was completed in 1933, he was summoned to the office of Joseph Goebbels, the Nazi minister of propaganda, who told him the film had been banned by the Third Reich. But Goebbels offered him the job of heading the Nazi film effort, Mr. Lang said.

It was the last job Mr. Lang wanted for he hated Nazism fervently. As soon as the interview was over, Mr. Lang hurried home, jammed a few possessions into his overcoat pockets, and took a train to the French border. (Miss von Harbou divorced him, joined the Nazi movement and later wrote several Nazi films.)

Mr. Lang's favorite of his American films was his second-to-last, "While the City Sleeps," released in 1938.

In recent years Lang lived frugally in his Beverly Hills home.

## ALVIN KRESS.

## Richard Archbold

NEW YORK, Aug. 3 (NYT).—Richard Archbold, 69, a major benefactor of the American Museum of Natural History and since 1931, a research associate in its department of mammalogy, died Sunday at his Archbold Research Station in Lake Placid, Fla., where he had made his home for many years.

He founded Archbold Expeditions, based at the museum, which carried out many expeditions in the Indo-Australian region before and after World War II and at his death was sponsoring a three-year study in the Celebes.

My name is Kate," she said, "and I am a drug addict and an alcoholic." She is now 24 years old. Her son, Robert, is 6.

1,000 People

Both Kate and her husband were delegates at the 19th International Conference of Young People in Alcoholism Anonymous, which drew almost 1,000 people from throughout the United States and Canada to the largest gathering of young "recovered" alcoholics in history.

Their ages ranged from 17 to 40, they came from small towns and large and every conceivable economic and educational background. The middle class predominated, as it does in the AA and in the United States.

In Philadelphia's stifling heat, the delegates wore T-shirts and jeans, halter-top dresses and hip-hop cotton jumpers. In their diversity, they looked like any gathering of AA members anywhere in North America, except for the prevalence of youth and the distinctive, throwaway dash of the way their generation dresses.

Fridays were passed out at the registration desk and Silk Wills and his band played at the dance.

Their meetings began promptly, as all AA meetings do, and ended the same way, with the saying of "The Lord's Prayer" aloud. There was honesty of the kind and depth that is startling to outsiders, as well as understanding laughter and emotion from audiences who shared many, if not all, of every speaker's problems and aspirations.

In listening to their meetings, and during interviews conducted over soft drinks and coffee in student lounges and dormitory rooms, Kate emerged as very typical of the conference delegates.

To begin with, she is sensitive, bright and the daughter of an alcoholic. It is a truism backed by research that the intelligence level of alcoholics tends to be above the national average. Studies have also shown, according to the National Clearinghouse for Alcoholism Information, that one-fourth to one-half of all alcoholic persons have had an alcoholic parent or close relative.

A recent survey carried out for the National Institute on Alcoholism Abuse and Alcoholism, a part of the U.S. Department of Health, Education and Welfare, concluded that "the children of alcoholic parents are twice as likely to become alcoholics as the children of nonalcoholic parents. This is especially alarming in light of statistics that the children of alcoholic persons in America today exceed 38 million."

Its report indicates Britain's population is falling for the first time in peace since records began almost 150 years ago.

Between January and June there were 323,859 deaths and 304,408 births. The increase in deaths was attributed to the influenza epidemic in late winter.



# Lehman at 125

Last year was the second most profitable in Lehman Brothers 125 year history. This year is even better. Our capital is at a record level of over \$60 million.

## Advisor in Important Investment Banking Transactions

Over the past *three* months, Lehman Brothers has advised the following companies on major transactions:

- ♦ The Anaconda Company on its proposed merger with, and capital infusion by, Atlantic Richfield Company.
- ♦ Associated Dry Goods Corporation on its disposition of Ayr-Way Stores.
- ♦ Colgate Palmolive Company on its acquisition of Riviana Foods, Inc.
- ♦ Marcor Inc. on its merger with Mobil Corporation.
- ♦ M.I.M. Holdings Ltd. on its proposed purchase of 3.5 million newly-issued ASARCO common shares for \$77 million.
- ♦ Nestlé Alimentana S.A. on the completion of its acquisition of Libby, McNeill & Libby.
- ♦ The Oil Shale Corporation on its acquisition of the Avon refinery and other West Coast assets of Phillips Petroleum Company.
- ♦ Pan American World Airways, Inc. on its exchange offer for \$350 million of subordinated debt securities.
- ♦ Quaker State Oil Refining Corporation on its acquisition of Valley Camp Coal Company.
- ♦ Utah International Inc. on its proposed merger with General Electric Company.
- ♦ White Motor Corporation on its refinancing and the sale of its White Superior Division.

## International Advisors

General Motors Corporation, International Business Machines Corp.

and NL Industries, Inc., among others, have retained Lehman Brothers to advise them on international business problems.

## A Leading Manager and Distributor of Corporate Financings

For the first half of our fiscal year, Lehman Brothers ranked fifth in dollar volume as managing underwriters of negotiated industrial common stock and debt financings. We were *second* in the *number* of such financings.

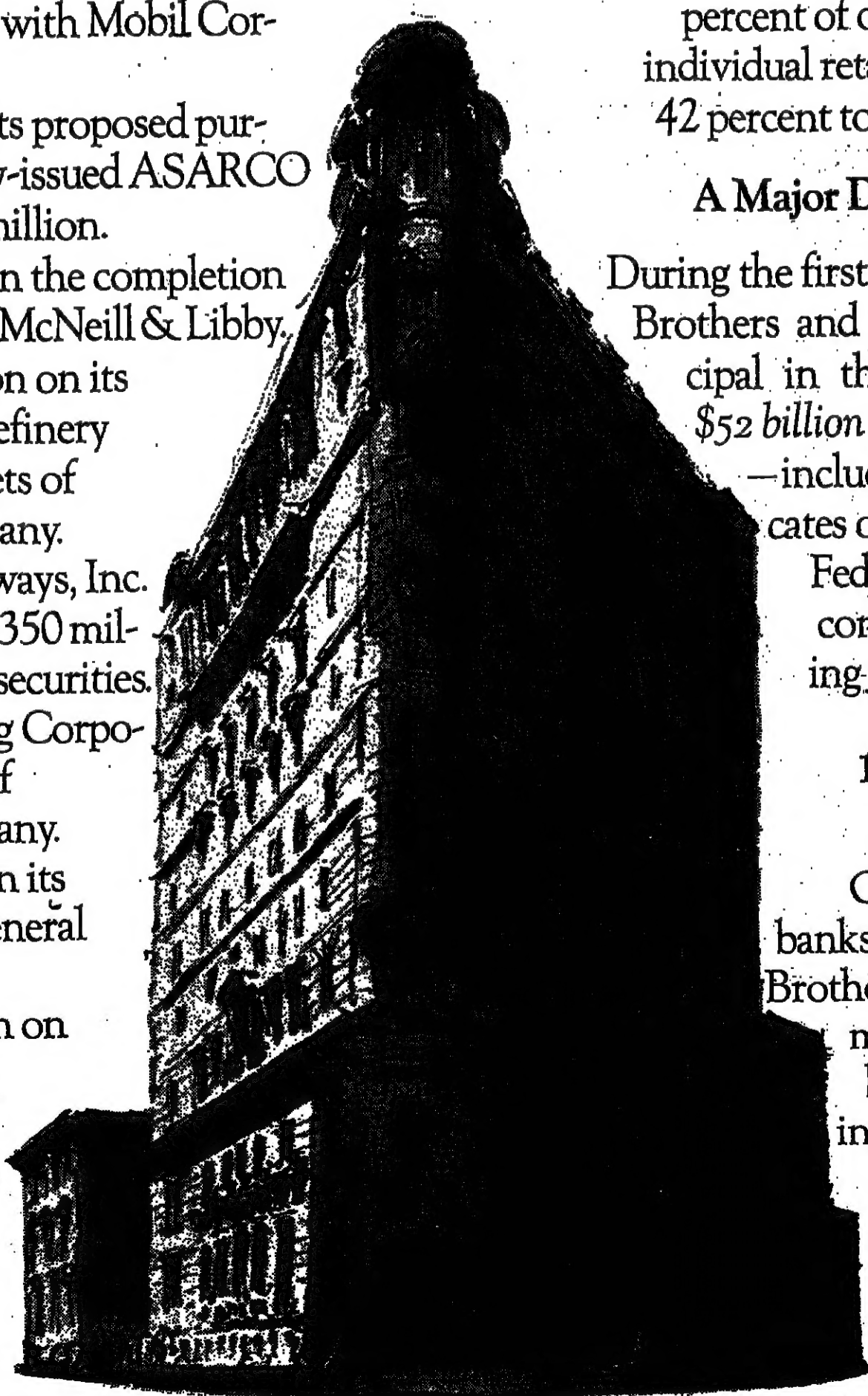
Our distribution ability—we now have over 500 people in securities trading and sales—is demonstrated by the fact that, during the first half of our fiscal year, we sold *140 percent* of our *underwriting commitments* in our clients' common stock and debt offerings. During this period we sold 58 percent of our common stock offerings to individual retail customers—compared with 42 percent to institutions.

## A Major Dealer in Money Markets

During the first half of our fiscal year, Lehman Brothers and its subsidiaries acted as principal in the purchase and sale of over \$52 billion of money market instruments—including commercial paper, certificates of deposit, GNMA, FNMA and Federal agency securities. We have consistently been one of the leading firms in these money markets.

## 125 Years of Innovative Investment Banking

One of the oldest investment banks in the United States, Lehman Brothers has successfully handled the most sophisticated investment banking and corporate financing transactions. We are building on this tradition. Rich in experience, we are proud of our innovative accomplishments and the people who make them possible.



LEHMAN BROTHERS, ONE WILLIAM STREET, NEW YORK

## Lehman Brothers Incorporated

New York Atlanta Boston Chicago Dallas Houston London Los Angeles San Francisco Wilmington



## German Output Rises 2.9 Per Cent in June

Aug. 3 (AP-DJ).—Industrial output in West Germany rose 2.9 per cent in June from the previous month and by 8.7 per cent a year, the Economics Ministry reported today. The increase carried the seasonally adjusted industrial index (base 100 in 1970) to 122.2 per cent above the level in June 1975, the nadir of the recession. The June level was only 1.1 per cent below the all-time high of 124.2 set in May, 1974. Another report out today showed that unemployment in June last month, although seasonal factors appeared to be in the increase. And a report by a private economic research institute said the recently observed slowdown in the economy was caused by a structural weakness in the recovery rather than a pause for breath.

That assessment, by the Rheinisch-Westfälisches economic research institute, was less optimistic than that of the Economics Ministry, which said last month that it welcomed the slowdown as a preventative to early economic overheating.

**Figures Revised**

In its report on industrial production, the Economics Ministry said it had revised upward the figure for April, with the result that production declined on a month-to-month basis in May, rather than remaining unchanged as previously announced.

The April figure was revised to 122.2 from the 121.1 announced earlier.

In the two-month May-June period output was 1 per cent above the level for April-March, the ministry said.

Unemployment in July rose by 23,000 to 944,000 persons, or 4.1 per cent of the work force. The increase represented a gain of 2.8 per cent over the 921,000 workers, or 4 per cent of the work force, unemployed in June.

However, the number of workers on short time was more than halved in July to 62,000 from 127,000, a decline of 62 per cent from June.

A government spokesman said school vacations and other seasonal factors had temporarily increased unemployment, and noted that the July gain was well below the 8.8-per-cent average increase from June to July in recent years.

The Rheinisch-Westfälisches economic report said the structural weakness in the upswing in the German economy was the failure of efforts to consolidate price and cost levels. It asserted that union wage agreements forged earlier this year—averaging 5 to 5.5 per cent—cut short a decline in unit wage costs that allowed employers to increase profits without raising prices.

Employers also have been hit by increases in costs of social insurance for employees that add 1 per cent to wage and salary bills, the institute said.

These developments, together with rising costs of raw materials, have tended to force companies to seek increased profits through higher prices, it contended.

The institute said that the solution to this problem was to orient wages strictly on supply and demand in the labor market. German consumer prices currently show a 4.5-per-cent year-to-year rate of increase—low by international comparison but still disturbing to this inflation-minded nation.

Leading indicators, as expected, show a picture that the current affairs, and point to still progress in the same five months, including Britain. The institute cautioned, however, that indices could only hint at direction of the economy, and not specify the pace of the recovery. This is of crucial concern to governments, which are trying to manage slow and recoveries to avoid inflationary pressures.

Comments have made much progress in restoring industrial production to their pre-recession levels than in reducing unemployment, but great success is no guarantee of success in the latter. By a United States had 7.7 per cent of the industrial decline from its peak to the recession, compared with 7.3 per cent in West Germany, 6.8 per cent in France, 6.1 per cent in Japan, and 5.7 per cent in Britain.

As the U.S. recovery peters out, up to 93 per cent.

**Proposes**

**guards for**

**Depositors**

Aug. 3 (Reuters).—A plan for bank depositors, including a Bank of England system for deposit-taking deposits from 1977, was outlined by the Bank of England today.

Proposals were prompted by a series of several economic companies during the downturn of 1973-74, many of the so-called "junk" companies which have operated with the aid of England recognition.

Government proposes that all deposit-takers would have to comply with a minimum level of capital, and have to satisfy a bank that their management is trustworthy and suitable.

## U.K. Outlook Is Improving, Reports Say

CBI, Oxford Experts See Signs of Upturn

LONDON, Aug. 3 (AP-DJ).—Britain's economic outlook is improving, according to reports released today by the Confederation of British Industry (CBI) and a group of Oxford University economists.

The CBI, the nation's major business federation, said its latest quarterly industrial trends survey showed:

• Business confidence is recovering and is well-spread.

• Manufacturing activity is increasing with both new orders and output rising.

• Export trends continue to be encouraging.

• The rapid reduction in both employment and inventories has ended.

• Manufacturing investment is beginning to increase again and could rise quite rapidly through 1977.

However, the CBI pointed out that its survey, in which nearly 1,000 companies participated, was taken July 5 to 21—before the government announced plans to cut public spending by £1 billion in fiscal 1977-78 as well as raise employers' contributions to the national insurance program to 10 3/4 per cent of basic pay from 8 3/4 per cent.

The CBI said the 2-point rise in contributions was "ill-advised."

"If the present buoyant intentions to authorize investment are to be carried through, then there must be a soundly-based belief that references by the government to the need to restore a healthy and profitable private sector are real," the business group said.

A report on the medium-term outlook from the group of Oxford economists said the economy had reached a turning point and that the future looks a lot brighter.

They said that "Britain is one of the very few industrial nations with a low level of productivity that still has catching up to do."

Their report is being used by several unidentified multinational companies who are studying the possibility of increasing their investments in Britain, they said.

Although the CBI survey was one of the most bullish since the oil crisis of late 1973, the business group pointed out that the economic recovery was starting from a very low level.

The survey indicated that nearly 75 per cent of manufacturing industry is still working below capacity.

Three-quarters of those surveyed said a shortage of orders might curtail output over the next four months. "The CBI warned that shortages of both labor and supplies could develop later in the business recovery cycle."

The business group estimates that the companies surveyed employ more than 3 million workers and account for about half of Britain's manufactured exports.

## Banks Have Not Accepted Plan

### Delay Seen on Deal With Ailing Ship Firm

By Alan Jenkins

LONDON, Aug. 3 (AP-DJ).—Sea Containers Inc. confirmed today what many of the creditor banks of Maritime Freight Carriers Co. (MFC) have been saying privately: A proposal under which Sea Containers would take control of MFC's fleet of refrigerated cargo ships is not yet near completion.

Sea Containers president James Sherwood admitted at a press briefing that none of MFC's creditor banks had yet accepted his company's plan first announced July 20.

He said Sea Containers is "just beginning" talks with MFC's creditors and he predicted that the negotiations would go on for "a long time."

Sea Containers has proposed that a Bermuda-based company, Refrigerated Carriers Ltd., be formed to take over ownership or operating control of up to 21 of MFC's refrigerated ships. Sea Containers would have a 51-per-cent interest in Refrigerated Carriers and MFC 49 per cent. Mr. Sherwood said MFC co-founders Miles Brenner and Yacov Meridor would not be on the board of directors of the new company.

Originally, Sea Containers had hoped that the Bermuda company would take over 23 MFC refrigerated ships. However, International Marine Banking, a unit of Marine Midland Bank, has since sold three of these ships to cover unpaid debts (Sweden's Salen Group, which bought one of these ships, has agreed to let the proposed new Bermuda company operate it.)

Mr. Sherwood said it would be overly optimistic to expect that creditors for all the remaining 20 ships would accept the Sea Containers' offer. Under questioning, he indicated that the minimum number of ships needed for the deal to be completed was

about three to four years to run.

Sea Containers is now willing to shorten the stretch-out period, Mr. Sherwood said, but with a bunching of most of the payments at the end of any agreement.

He said that if Sea Containers could not agree with banks on refinancing loans, it might just try the banks out and arrange financing with other banks not previously involved with MFC.

He said two banks had already indicated their willingness to help with refinancing loans on eight of the ships. He did not identify the banks.

Several MFC creditors have said the main drawback to the Sea Containers offer is the lack of financial help. Last month a group headed by Venezuelan industrialist Luis Fernandez Moreno Gonzalez is said to have proposed injecting up to \$15 million into MFC, but that plan apparently fell through. Some bankers claim the company needs even more funds than that to pay overdue debts.

Mr. Sherwood estimated that the British government's financial exposure with MFC totaled \$104 million, of which \$94 million was in guarantees for tanker orders MFC has placed with U.K. shipyards and \$10 million in financial guarantees covering loans on MFC vessels. He estimated it is about three times larger than what government sources have previously indicated Britain's exposure was.

Mr. Sherwood said it had become obvious that some creditor banks would not accept the "stretch-out" to 10 years on loans for MFC ships which Sea Containers had originally proposed. Most of the credit arrangements on MFC vessels now only have

U.S. Mergers Increase

CHICAGO, Aug. 3 (Reuters).—U.S. Mergers rose 14 per cent to 713 in the second quarter from 624 in the year ago quarter, W. T. Grimm & Co., a merger consulting firm reported.

## Philippines Reports Major Oil Find

The Philippines says a major oil find has been made on the Reed Bank, an area off its west coast also claimed by China, Vietnam and Taiwan. The discovery was made by a joint Swedish, U.S. and Filipino consortium, the government's Energy Development Board says. It is producing gas as well as oil. The Philippines has been intensifying oil exploration on the Reed Bank, which the government says lies within its continental shelf. But the drilling has brought protests from China, Vietnam and Taiwan. The board describes the latest find as the second major one in the Philippines within five months. Last March, President Ferdinand Marcos announced that oil had started to flow in the central island province of Palawan.

## 'Significant' Gas Find by Union Oil

Union Oil Co. of California has announced a "significant" natural gas discovery located 75 miles offshore Lake Charles, La. During a test, the well flowed gas at the rate of 4.8 million cubic feet per day. The well, located in 70 feet of water, is owned equally by Union Oil and Texas Gas Exploration Corp., a subsidiary of Texas Gas Transmission Corp.

## Japanese Banks to Increase Capital

Four leading Japanese banks—Fujitsu, Sumitomo, Industrial Bank of Japan and Sanwa—will each raise their capital by 30 per cent in addition to issuing a 5-per-cent stock bonus to 89.1 billion yen (about \$303 million) from 66 billion yen. The capital of the four banks is identical. Shareholders registered on Sep. 30 will qualify for a 3-for-10 rights issue at par and a 1-for-20 bonus issue. Payment will be required by end-January for

shareholders of Mitsubishi and Fuyo and by end-February for those of Sumitomo and Sanwa.

## Paramount, Sony in Joint Venture

Paramount Pictures, a subsidiary of Gulf & Western Industries, and Sony have formed a joint venture to distribute video tape machines and pre-recorded films for the home market. The player-recorders are the Betamax machines already being marketed by Sony. The pre-recorded materials would include Paramount's feature films and educational films. The companies say they hope to be marketing packages of video tape equipment and recorded material in late 1977.

## Columbia Sells Music Unit to EMI

Columbia Pictures Industries will sell its music publishing division to EMI Ltd. for \$23.5 million in cash. In a related agreement, EMI will make a "multimillion-dollar investment" in four of Columbia's coming theatrical motion-picture releases. Alan Hirschfeld, president of Columbia, says that EMI probably will invest more than \$5 million in the films.

## Joint Investment Firm Set

Goldman Sachs and Kleinwort, Benson Ltd. are to form an independent investment management company, Kleinwort Benson McCowan, to be based in New York. Goldman Sachs will be a minority shareholder. Based on funds currently managed for the clients of Goldman Sachs and the North American management business of Kleinwort Benson, it is expected that the new company will advise dollar portfolios totaling about \$750 million. The company will be under the direction of Bruce McCowan, who will resign as a partner of Goldman Sachs to head the new firm.

## AT&T, Auto Issues Lead Rise

### N.Y. Prices Surge After Long Downturn

NEW YORK, Aug. 3 (UPI).—Prices closed sharply higher on the New York Stock Exchange today, rallying after a long spell of drifting slowly lower. Auto issues and the widely held AT&T common were leaders of the advance.

The Dow Jones industrial average climbed 8.07 points to 990.33. It was up 7.23 at 3 o'clock.

About 1,000 issues showed gains, compared with about 433 posting declines.

Volume totaled 18.5 million shares, compared with 13.87 million yesterday.

The advance started slowly with a few investors making selected purchases in recently depressed issues. As the advance spread, volume picked up with other investors coming into action.

Analysts said the rally was assisted by a continuing outlook for steady economic gains throughout the year and beyond.

They said that it was further encouraged by hopes for some important dividend decisions as well as the advance in AT&T.

Heavily traded American Telephone rose a point to 58 3/4. An official of the Federal Communications Commission yesterday disagreed with FCC staff recommendations the utility be forced to divest itself of its large Western Electric subsidiary.

General Motors moved up 1 3/8 to 69 1/2. Industry analysts said they were optimistic about the outlook for car makers into 1977.

After the close of NYSE trading, GM declared a quarterly dividend of 85 cents a share,

## Company Reports

Revenue, Profit in Millions of Dollars

Lockheed Aircraft

Second Quarter 1976 1975

Revenue 836.9 876.0

Profit 11.3 14.9

Per Share 0.94 1.35

United States Gypsum Co.

Second Quarter 1976 1975

Revenue 239.3 206.2

Profit 10.43 8.2

Per Share 0.58 0.45

## Our success - by choice and not by chance.

Climbing is tougher near the top of the mountain than on the lower slopes.

Creditanstalt-Bankverein (CA) is Austria's leading bank.

To keep this position, we have to work a lot harder than our smaller competitors.

Our clients have honored these efforts: the favourable business development of CA and its Banking Group continued in 1975.

14% market share of loans to non-bank customers.

The CA Banking Group lent one out of every seven schillings of loans granted to Austrian non-bank customers.

Total loan volume (domestic and international) increased to 65,000 million schillings.

Austria's largest commercial bank is also its second largest thrift institution.

Few big banks have achieved such a strong position in the savings sector as the CA Banking Group. A 20% increase in savings deposits in 1975 strengthened the position of the CA Banking Group even further.

At the end of 1975, 11% of total customers deposits in Austria had been placed with us.

Over 13% of total assets of all Austrian credit institutions.

A share of this size for just one banking group - after all, there are close to eighteen hundred credit institutions in Austria - is unusual.

It certainly takes above-average placing power to put away some AS 5,720 million of bonds or 26% of the total volume of the domestic bond market in 1975.

Of the more than 100 companies in Austria with a turnover in excess of AS 1,000 million, 90% are our customers.

Strong domestically - strong internationally.

The Bank's strength is even more visible in its international business, which takes up one third of its balance sheet.

Financings for Austria's foreign trade were provided as to more than 30% by us.

The volume of medium-term Eurocredits managed by us in 1975 put CA on the ninth place among all banks active in this field. For Austrian clients we arranged financings in the international markets amounting to approximately US \$1,100 million in 1975. CA also participated as co-manager and underwriter in 170 Euro-issues.

Member of EBIC - European Banks International

Telephone (0222) 66 22 0 - Telex 74793

CREDITANSTALT-BANKVEREIN

## Foreign Bribes Law Is Proposed by Ford

WASHINGTON, Aug. 3 (AP).

—In a move to prevent U.S. corporations from making questionable and illegal payments to foreign officials, President Ford proposed legislation today that would require firms to report nearly all payments abroad.

The bill, the Foreign Payments Disclosure Act, also would require the reporting of the names of foreign recipients.

In urging Congress to pass the measure, Mr. Ford said it "will contribute significantly to the deterrence of future improper practices and to the restoration of confidence in American business standards."

The Securities and Exchange Commission has disclosed that at least 100 corporations have made questionable or illegal payments abroad and Mr. Ford, while calling the figure "relatively small," said "it is clear that the questionable payments problem must be taken seriously."

Task Force

Mr. Ford said the legislation is based on recommendations from a task force he established on March 31 under the direction of Commerce Secretary Elliot Richardson.

"The legislation will require reporting to the Secretary of Commerce of certain classes of payments made by U.S. businesses and their foreign subsidiaries and affiliates in relation to business with foreign governments," Mr. Ford said in his message to Congress.

He said the legislation covers payments that are made to foreign government employees or representatives with the hope of obtaining or maintaining business or influencing the conduct of the foreign government. Political contributions are also covered.

"By requiring reporting of all significant payments, whether proper or improper... the legislation will avoid the difficult problems of definition and proof that arise in the context of enforcement of legislation that seeks to deal specifically with bribery or extortion abroad," Mr. Ford said.

The President said that small, routine payments will be excluded, "as will certain clearly bona fide payments such as taxes."

Under the proposed legislation, enforcement powers for the law

would be granted to the executive branch.

Reports would be made available to the departments of State and Justice and to the Internal Revenue Service and the SEC.

The Justice and State departments would relay information to foreign authorities, when warranted to help them in enforcement of their own laws, Mr. Ford said.

**U.S. Nearer**

**Anti-Trust Bill**

WASHINGTON, Aug. 3 (AP-DJ).—The likelihood that Congress will clear major revisions of the anti-trust laws this year increased with House approval of two anti-trust bills yesterday.

One of the measures would make it easier for the government to block big corporate mergers; the other would strengthen the Justice Department's anti-trust investigatory powers.

The other measure would provide the government with additional tools to use when investigating possible civil violations of federal anti-trust laws.

The Senate has already cleared a broader anti-trust bill containing similar provisions, so it is up to a House-Senate conference to blend the bills. That step probably will not occur until late this month.

The House-approved bill would require large companies to give federal anti-trust authorities 30 days' advance notice of mergers. Currently, corporations are not required to give any notice. The requirement would apply to companies with annual sales or total assets of \$100 million or more, when they acquire other concerns with at least \$10 million in annual sales or total assets.

The aim is to give the Justice Department and the Federal Trade Commission time to block mergers that they suspect may be illegal. They still have to persuade a judge to issue a temporary injunction against a merger by outlining a reasonable case that it is illegal. The bill's supporters claim it is needed because of the difficulty of unscrambling a merger after it is accomplished.

## CA services around the world.

As a member of European Banks International - the EBIC-Group - we can offer our clients CA services almost anywhere in the world.

CA was the first bank in the OECD area to open, in 1975, a representative office in Budapest.

Our business links extend East and West, to oil-exporting nations as well as developing countries.

Success expressed in figures.

Of its net profit after taxes, the CA Banking Group paid AS 215 million in dividends to its shareholders and transferred AS 532 million to reserves.

Balance sheet 1975 of CA Banking Group

AS millions

Deposits 101,166 +20%

Loans 64,720 +11%

Due from banks 19,591 +37%

Securities 17,828 +46%

Capital and reserves 5,887 +11%

Balance sheet total 110,299 +20%

CA Banking Group

CREDITANSTALT-BANKVEREIN, Vienna

BANK FÜR OBERÖSTERREICH UND SALZBURG, Linz

BANK FÜR KÄRNTEN AKTIENGESELLSCHAFT, Klagenfurt

BANK FÜR TIROL UND VORARLBERG AKTIENGESELLSCHAFT, Innsbruck

AVA AUTOMOBIL- UND WARENKREDITBANK GESELLSCHAFT M.B.H., Vienna

CA representation internationally

EUROPEAN-AMERICAN BANK & TRUST COMPANY, New York

EUROPEAN-AMERICAN BANKING CORPORATION, New York, Los Angeles, San Francisco

BANQUE EUROPEENNE DE CREDIT (BEC), Brussels

EUROPEAN BANKING COMPANY LIMITED, London, Chicago

EUROPEAN ASIATIC BANK AG, Hamburg, Hong Kong, Jakarta, Kuala Lumpur, Manila, Singapore

EUROPEAN ARAB BANK (BRUSSELS) S.A., Brussels

EUROPEISCH-ARABISCHE BANK GMBH, Frankfurt







|     |             |      |    |     |     |     |     |
|-----|-------------|------|----|-----|-----|-----|-----|
| 10% | Tomb Raider | 14   | 22 | 22  | 22  |     |     |
| 8%  | Time        | 20   | 14 | 22  | 22  | 22  | 24  |
| 8%  | Time        | 20   | 20 | 20  | 20  | 20  | 20  |
| 9%  | Tish Riva   |      | 6  | 14% | 14% | 14% |     |
| 9%  | ToothP      | 13   |    | 6   | 5%  | 6%  |     |
| 9%  | ToothP      | 13   |    | 6   | 10  | 10  |     |
| 22% | ToothP      | 5,12 | 8  | 8   | 24  | 22% | 14  |
| 22% | ToothP      | 5,12 | 8  | 8   | 24  | 22% | 14  |
| 10% | ToothP      | 40   | 5  | 17  | 12% | 13% | 12% |
| 6%  | ToothP      | 21   | 5  | 5%  | 6%  | 6%  |     |

(Continued on next page.)

**elf**  
aquitaine



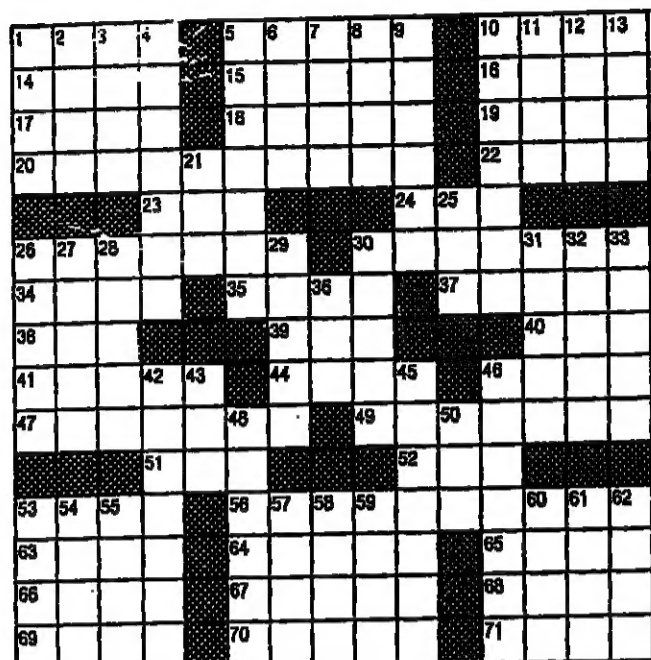








|    |                               |    |                        |    |                      |
|----|-------------------------------|----|------------------------|----|----------------------|
|    | <b>ACROSS</b>                 |    |                        |    |                      |
| 1  | Ono                           | 51 | Kind of view           | 13 | Donkeys, in Dijon    |
| 5  | Eisenhower                    | 52 | Average                | 21 | Innvie               |
| 10 | Rodent                        | 53 | Lying down             | 25 | Connectives          |
| 14 | Barbara of TV                 | 56 | Superman's home town   | 26 | Kind of goat         |
| 15 | Straighten                    | 63 | Russian river          | 27 | Heathen              |
| 16 | Black                         | 64 | "The _____ St. Agnes"  | 28 | Independently        |
| 17 | Wins in a card game           | 65 | Superman's girl friend | 29 | Greek magistrate     |
| 18 | Red wine                      | 66 | Church part            | 30 | Cold soup            |
| 19 | Car _____ (without exception) | 68 | Fifty past             | 31 | Biblical prophet     |
| 20 | Batman's home town            | 69 | Behold, to Cicero      | 32 | Old coins of Naples  |
| 22 | Pop and siege                 | 69 | Thread worker: Var.    | 33 | Kind of chair or car |
| 23 | She-bear, in Spain            | 70 | Hurries                | 36 | Fine fur: Abbr.      |
| 24 | Old French coin               | 71 | "Drop _____!"          | 42 | Enemy of Batman      |
| 26 | Plenty, in Dick Tracy str.    |    |                        |    |                      |
| 30 | Attachments to some deals     |    | <b><u>DOWN</u></b>     |    |                      |
| 34 | Garb for 3 Down               | 1  | Safecracker            | 43 | Coll. course         |
| 35 | Kind of delivery: -Abbr.      | 2  | Hated, in Spain        | 45 | Shady coups          |
| 37 | Trap                          | 3  | Supper                 | 46 | Freed, with ifs      |
| 38 | Khan                          | 4  | Kind of breeze         | 49 | Idaho city           |
| 39 | Kingly initials               | 5  | Zoo categories         | 50 | Kind of dance        |
| 40 | "I've been _____!"            | 6  | Guinness               | 53 | Relative             |
| 41 | Young salmon                  | 7  | Southern France        | 54 | Mulish sound         |
| 44 | Bradley                       | 8  | "_____ Rhythm"         | 55 | Roof part            |
| 46 | Andean plateau                | 9  | Enclose in a capsule   | 57 | Constantly           |
| 49 | One who tempts                | 10 | Enemy of Batman        | 58 | _____"clock scholar  |
| 50 | Flintheart, in Tracy strip    | 11 | ____ ben Adhem         | 59 | Cheer                |
|    |                               | 12 | Neighbor of N.Y.       | 60 | Add liquor           |
|    |                               |    |                        | 61 | S.A. native          |
|    |                               |    |                        |    | Do garden work       |



|                    | C  | #  |          | C                   | #  |    |        |
|--------------------|----|----|----------|---------------------|----|----|--------|
| ALGARVE.....       | 28 | 82 | Clear    | MADRID.....         | 29 | 64 | Clear  |
| AMSTERDAM.....     | 18 | 64 | Cloudy   | MILAN.....          | 24 | 78 | Cloudy |
| ANKARA.....        | 31 | 88 | Clear    | MOSCOW.....         | 24 | 84 | Clear  |
| ANTWERP.....       | 28 | 82 | Clear    | MOSCOW.....         | 29 | 77 | Clear  |
| BELTUT.....        | 32 | 90 | Clear    | MUNICH.....         | 29 | 79 | Cloudy |
| BLGRADE.....       | 23 | 73 | Cloudy   | NICE.....           | 24 | 78 | Cloudy |
| BUDAPEST.....      | 28 | 82 | Clear    | PARIS.....          | 24 | 78 | Clear  |
| RUSSIA.....        | 19 | 66 | Variable | OSLO.....           | 16 | 61 | Cloudy |
| BUCHAREST.....     | 10 | 61 | Overcast | PARIS.....          | 29 | 72 | Fair   |
| CADIZ.....         | 18 | 64 | Cloudy   | PRAGUE.....         | 28 | 82 | Clear  |
| CASABLANCA.....    | 28 | 82 | Clear    | ROME.....           | 27 | 81 | Clear  |
| COPENHAGEN.....    | 18 | 64 | Cloudy   | SOVIET.....         | 26 | 77 | Clear  |
| COSTA DEL SOL..... | 28 | 82 | Clear    | ST. PETERSBURG..... | 27 | 77 | Clear  |
| DUBLIN.....        | 28 | 82 | Clear    | TALLINN.....        | 27 | 77 | Clear  |
| EDINBURGH.....     | 13 | 69 | Cloudy   | TEHRAN.....         | 37 | 89 | Fair   |
| FLORENCE.....      | 26 | 78 | Clear    | TEL AVIV.....       | 31 | 88 | Fair   |
| LONDON.....        | 29 | 79 | Cloudy   | TRIPOLI.....        | 27 | 77 | Clear  |
| GENEVA.....        | 23 | 73 | Clear    | VIENNA.....         | 21 | 70 | Cloudy |
| Helsinki.....      | 19 | 68 | Cloudy   | WARSAW.....         | 13 | 68 | Clear  |
| ISTANBUL.....      | 21 | 70 | Rain     | WASHINGTON.....     | 28 | 82 | Clear  |
| JAKARTA.....       | 29 | 79 | Clear    | ZURICH.....         | 31 | 79 | Cloudy |
| LISBON.....        | 30 | 80 | Clear    |                     |    |    |        |
| LONDON.....        | 28 | 80 | Cloudy   |                     |    |    |        |

(Yesterday's readings at London & Amsterdam)  
at 1700 GMT, others at 1200 GMT.)

The net asset value quotations shown below are supplied by the Funds listed. The International Herald Tribune cannot accept responsibility for them. Following marginal symbols indicates frequency of quotations supplied for the IHT. (d)—daily; (w)—weekly; (r)—regularly; (i)—irregularly.

[illegible]

## THE GREAT ANGLO-BOER WAR

*By Byron Farwell. Harper & Row. Illustrated. 495 pp. \$1*

**Reviewed by Alden Whitman**

THE significance of Byron Farwell's mostly laudable book is its subject's intimate bearing on the current racial problems of South Africa. To read it is to understand the stiff-necked attitudes of the white amount of rhetoric about awful human bondage was. For, also, the Boers were fighting for health and home slavery. On neither side was any perceivable amount of humanity.

nesses and the most beautiful but unhappy land, to see how principles of freedom, self-government and justice have been contorted to serve xenophobia and apartheid, how piety has been transmuted into fanaticism, how ideology has warped and narrowed philosophy and, finally, how it is possible to win a war on the battlefield only to lose it through loss of nerve in peace.

One explanation for this uncommon degree of illumination is that South Africa today, so long sealed from the currents of world change owing to its strategic mineral deposits, is the final descendant of the Boer republics that fought in (and were overwhelmed by) the curtain-raiser war of the 20th century. It was as targeted a country as the American was in Indochina, as American was the Arab state in World War II, and as the Jew in Germany. The complete, a picture without a name. Although Mr. Farwell is to be faulted on an elemental aspect of narrative history, his book will indeed tell his blow-by-blow account of the war. Many of the places and personalities will be familiar to British than readers, but they are easily prehended. The vignettes of leaders on both sides are and bracing.

The grand sweep of the  
flict is clearly discerned.  
Boers came within an ac-

Few wars have been as instructive and have contained as the personalities and the battle scenes, the policies and the intrigue that make for extraordinary reading. Not one to shrink from gore when necessary, nor one to burnish "received" reputations, Byron Farwell achieves his lapidary effects by the subtle interweaving of detail. The events of 79 years ago are vividly depicted, and accomplishments helped by artificial use of period pictures and quotations from diaries and letters and official reports and assisted, above all, by an uncanny ability to fit small actions into a larger landscape. Both the forest and the trees are present, but each is in proportion

Mr. Farwell accomplishes this by treating the Anglo-Boer War as a drama whose human interest supersedes its military actions. In doing so, he is able to demonstrate some of the basic clashes of interest that animated the war. On the Boer side, the paramount principle was the right of self-determination. Unfortunately, the right to enslave black peoples. The Boers were for the most part Bible-quoting, self-righteous white farmers, who had gained their land through incredible feats of pioneer daring. On the other side, the British and the Afrikaners were not far apart. Both were white men, and both were Christians. When peace in the Transvaal conflict came in 1902, Sir Alfred Milner, one of the war's ablest opponents, was the task of revitalizing the Transvaal colonies. Although his policies seem more enlightened in retrospect than they were at the time, Sir Alfred quickly pointed both the Indians and the Bantu, who had expected a lot to be improved. He imported thousands of coolies, made the gold and diamond mines the flagships of the colony. The Chinese who did no hard enough to suit the

At the outbreak of the war, the Boers were interior people, living on the high velds, while the British occupied Cape Town and the coastal areas. It seemed intolerable to the British, then the world's mightiest power, that the Boers should mistreat British subjects and oppose the expansion of such a beneficent empire as that ruled from London. There is no doubt, as Mr. Farwell makes clear, that the war was provoked by fantasies of imperial grandeur, in the course of which there was a certain

**Solution to Previous Puzzle**

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | M | A | Z | E |   | M | O | S |   | C | I | T | E | D |
| T | O | R | N |   | E | D | O |   | O | R | A | T | E |   |
| E | D | O | R | S |   | N | I | T |   | M | A | L | A | N |
| T | O | N | G | I | N | G | I | N | G | H | E | E | K |   |
| E | R | E |   | R | A | M |   | O | O |   | I | R | E |   |
| A | L | E | T | C | H |   | E |   | C | H | A | S | E |   |
| A | L | M | A |   | I | R | R | S |   | C | O | G | A | N |
| T | H | I | N |   | N | A | T | S |   | S | K | E | T | C |
| L | A | S | E | R |   | V | E | A | H |   | S | O | F | S |
| A | S | K | E | D |   | L | O | A |   | U | S |   |   |   |

SAM KRA GNP BOO  
 EYE OFF THE STORM  
 ASLAP TOY HOWIE  
 MOOLA ORE ORION  
 TUBER MOB TEENS

**—By Alan Tru**

Declarers with an eight-card trump fit do not usually pause to consider the need to guard against a 5-0 trump split. One could not confuse the improbable with the impossible. South fell into this trap on the diagramed deal.

South surprised West by opening one spade. Controlling his assessment admirably, West passed, almost always the right move when an opponent bids your suit. North might have responded one no-trump, but he chose to raise to two spades, surprising West again.

With the vulnerability against

him. East did not feel inclined to bid his eight-card club suit, and his caution was richly rewarded. In a club contract, East would probably have made eight tricks by leading the club king from his hand at some point to collect South's queen.

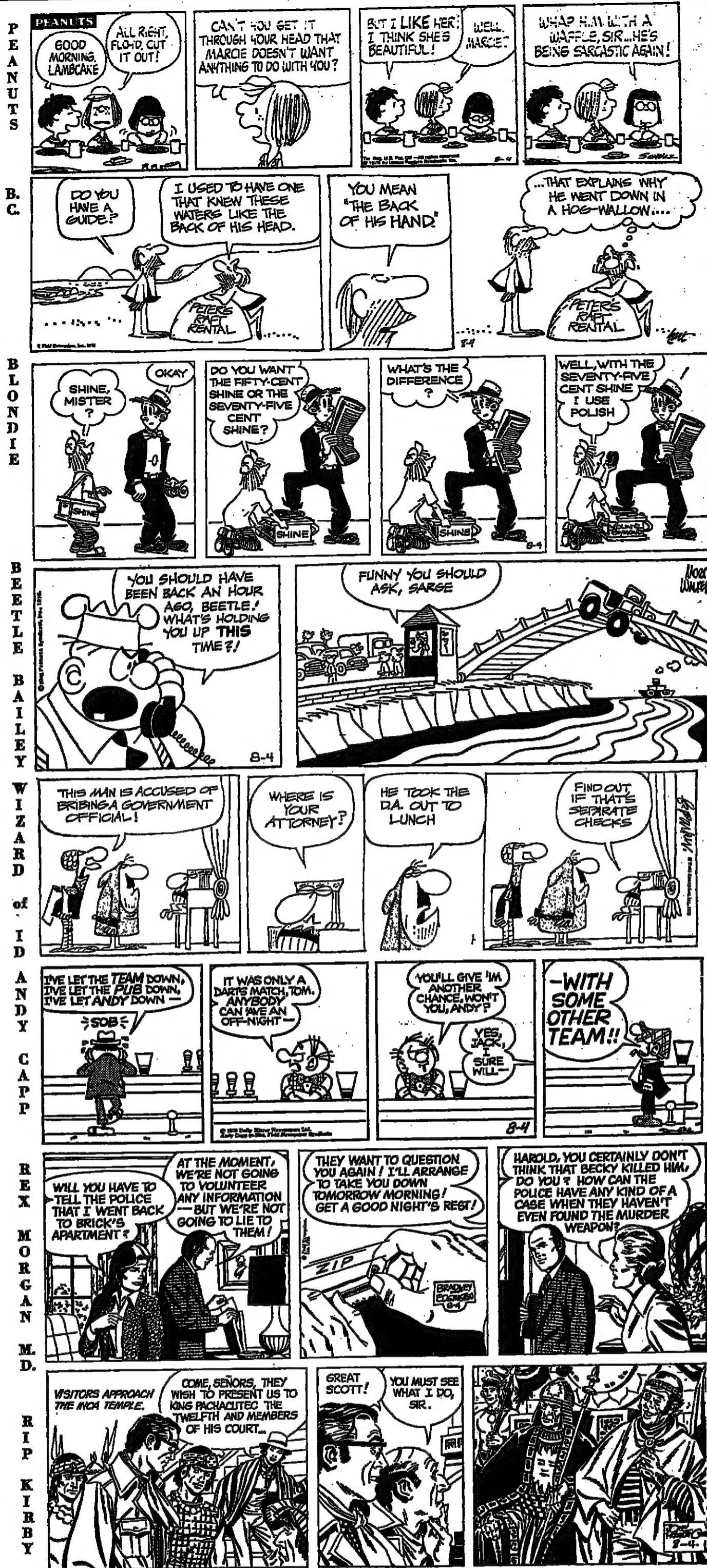
West was happy to defend two spades, and led his singleton club. South took one club, drew trumps, and immediately led the spade four. His idea was to draw a round or two of trumps, but he was not prepared for the sequel. West drew trumps, five rounds of them, and led a diamond, allowing East to score seven club tricks. The result was down seven, for 350 to East-West, not exactly a common result in any contract.

NORTH  
 ♠ 864  
 ♥ Q863  
 ♦ 972  
 ♣ A52

WEST EAST  
 ♠ AKQJ8 —  
 ♥ 1074 ♥ 852  
 ♦ KQ1053 ♦ AS  
 ♣ 10 ♣ K8765

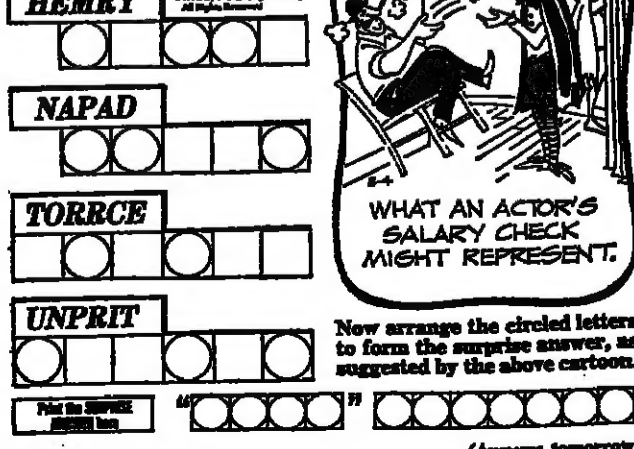
SOUTH(D)  
 ♠ 107532  
 ♥ AK5  
 ♦ KJ64  
 ♣ Q

East and West were  
 nerable. The bidding:  
 South West North  
 1 ♠ Pass 2 ♣  
 Pass Pass  
 West led the club ten.



Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

**TEMPY** 0725 In The Chicago Tribune



Yesterday's Jumbles: **FORUM EXPEL DARTY CHUBBY**  
 Answer: The judge got plenty of lip from this lawyer—**THE "MOUTHPIECE"**

## DENNIS THE MENACE



'HEY, MISTER WILSON!  
'ATCH OUT FOR PUFF!'

هكذا آمنه لأهل







